New Issues
Book-Entry Only

Ratings:
Fitch: "A+"
S&P:"A"

In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the herein defined Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Code. Interest on the Bonds is exempt from all State of Idaho income taxes under present Idaho income tax laws. See "Tax Matters" herein.

St Luke's®

$395,170,000 IDAHO HEALTH FACILITIES AUTHORITY Revenue Bonds, Series 2025A (St. Luke's Health System Project) (Fixed Mode)	**$92,510,000 IDAHO HEALTH FACILITIES AUTHORITY Revenue Bonds, Series 2025B (St. Luke's Health System Project) (Term Mode)**	**$91,405,000 IDAHO HEALTH FACILITIES AUTHORITY Revenue Bonds, Series 2025C (St. Luke's Health System Project) (Term Mode)**

Dated: Date of Issuance **Due: March 1, as shown on the Inside Cover**

Maturities, Principal Amounts, Interest Rates, Prices, Yields and CUSIP© Numbers are Shown on the Inside Cover

The Idaho Health Facilities Authority (the "*Authority*") is issuing its (i) $395,170,000 Revenue Bonds, Series 2025A (St. Luke's Health System Project) (the "*Series 2025A Bonds*"), (ii) $92,510,000 Revenue Bonds, Series 2025B (St. Luke's Health System Project) (the "*Series 2025B Bonds*") and (iii) $91,405,000 Revenue Bonds, Series 2025C (St. Luke's Health System Project) (the "*Series 2025C Bonds*," and together with the Series 2025B Bonds, the "*Series 2025B/C Bonds*" and collectively with the Series 2025A Bonds and the Series 2025B Bonds, the "*Bonds*") under separate Bond Indentures of Trust each dated as of February 1, 2025 (each, a "*Bond Indenture*" and together, the "*Bond Indentures*"), between the Authority and Zions Bancorporation, National Association, as bond trustee (the "*Bond Trustee*"). The proceeds of the Bonds will be loaned to St. Luke's Health System, Ltd., an Idaho nonprofit corporation (the "*Corporation*"), pursuant to separate Loan Agreements each dated as of February 1, 2025 (each, a "*Loan Agreement*" and together, the "*Loan Agreements*"), between the Authority and the Corporation, and applied for the purposes described herein. See "Plan of Finance" herein for additional information.

The Series 2025A Bonds will operate in the Fixed Mode and bear interest from the date of their initial delivery at the Fixed Rates shown on the inside cover hereof to their respective maturity or earlier redemption or conversion. The Series 2025B Bonds and the Series 2025C Bonds will operate in the Term Mode and bear interest from the date of their initial delivery at a Term Rate through the end of the respective initial Rate Periods as shown on the inside cover hereof or earlier redemption or conversion. Following the initial Rate Periods for each series of the Series 2025B/C Bonds, such Series 2025B/C Bonds may continue in the Term Mode for one or more subsequent Rate Periods or may be converted to bear interest in another Mode, as described herein, as directed by the Corporation.

Interest on each series of the Bonds will be computed as described in this Official Statement. Interest on each series of the Bonds will be payable semiannually on March 1 and September 1 in each year, commencing September 1, 2025. See "The Bonds — Interest Provisions" herein.

The Bonds are subject to redemption prior to maturity, as described herein.

The Bonds and the interest payable thereon are special obligations of the Authority and are payable solely from and secured exclusively by the funds pledged thereto under the related Bond Indenture, the payments to be made by the Corporation pursuant to the related Loan Agreement, and the related Series 2025A/B/C Obligation (as defined herein) issued by the Corporation under a Master Trust Indenture dated as of May 1, 1995, and amended and restated as of August 1, 2018, and as supplemented by the Series 2025 Supplemental Master Indentures described herein (as supplemented, the "*Existing Master Indenture*"), each between the Corporation, as Obligated Group Representative, and Computershare Trust Company, National Association, as successor to Wells Fargo Bank, National Association (formerly known as First Security Bank of Idaho, N.A.), as master trustee (the "*Master Trustee*"). The sources of payment of, and security for, the Bonds are more fully described in this Official Statement.

The Existing Master Indenture is expected to be amended and restated on the date of issuance of the Bonds by a Master Trust Indenture (Second Amended and Restated) to be dated as of February 1, 2025 (the "*Second Amended and Restated Master Indenture*" and, as amended and supplemented from time to time, the "*Master Indenture*"), between the Corporation, as Obligated Group Representative, and the Master Trustee. **By purchase of the Bonds on their date of issuance, the purchasers and the Beneficial Owners (as defined herein), on behalf of themselves and all subsequent holders of the Bonds, irrevocably consent, and shall be deemed to have irrevocably consented, to the amendment and restatement of the Existing Master Indenture as set forth in the Second Amended and Restated Master Indenture.** See "Security for the Bonds" herein.

The Bonds when issued will be registered only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("*DTC*"). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. See Appendix G — "Book-Entry Only System."

This Official Statement describes certain terms of the (i) Series 2025A Bonds while the Series 2025A Bonds bear interest at a Fixed Rate in the Initial Fixed Mode and (ii) each series of the Series 2025B/C Bonds while such Series 2025B/C Bonds bear interest at the related Term Rates in the related Initial Term Mode for each such series of the Series 2025B/C Bonds. There are significant differences in the terms of the Bonds in other Modes. This Official Statement is <u>not</u> intended to provide information with respect to Bonds in any Mode other than the Initial Fixed Mode and Initial Term Modes, as applicable.

The Bonds are special obligations of the Authority and do not constitute a debt or liability of the State of Idaho, its legislature or any of its political subdivisions or agencies other than the Authority to the extent herein described. The Authority is not authorized to levy or collect any taxes or assessments to pay the Bonds or for any other purpose. The Authority has no taxing power.

This cover page contains information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and accepted by the herein defined Underwriters, subject to prior sale or withdrawal or modification of the offer without notice and to the delivery of an approving opinion by Taft Stettinius & Hollister LLP, Denver, Colorado, as Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Corporation and the other Members of the Obligated Group by the Corporation's counsel, Norton Rose Fulbright US LLP, Denver, Colorado; for the Underwriters by their counsel, Chapman and Cutler LLP, Chicago, Illinois; and for the Authority by its counsel, Hawley Troxell Ennis & Hawley LLP, Boise, Idaho. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about February 12, 2025.

J.P. Morgan **Barclays**

This Official Statement is dated January 21, 2025, and the information contained herein speaks only as of that date.

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MATURITY SCHEDULE

$395,170,000
IDAHO HEALTH FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2025A
(ST. LUKE'S HEALTH SYSTEM PROJECT)
(FIXED MODE)

$208,645,000 Serial Bonds

MATURITY (MARCH 1)	PRINCIPAL AMOUNT	INTEREST RATE (%)	PRICE	YIELD (%)	CUSIP†
2026	$1,050,000	5.000	102.003	3.050	451295E62
2027	1,210,000	5.000	103.809	3.070	451295E70
2028	1,375,000	5.000	105.283	3.170	451295E88
2029	1,565,000	5.000	106.749	3.210	451295E96
2030	1,755,000	5.000	107.995	3.270	451295F20
2031	4,300,000	5.000	109.256	3.300	451295F38
2032	2,225,000	5.000	110.418	3.330	451295F46
2033	11,925,000	5.000	111.112	3.410	451295F53
2034	12,605,000	5.000	111.632	3.490	451295F61
2035	17,065,000	5.000	112.077	3.560	451295F79
2036	10,075,000	5.000	111.361[C]	3.640	451295F87
2037	10,570,000	5.000	110.917[C]	3.690	451295F95
2038	11,090,000	5.000	110.298[C]	3.760	451295G29
2039	15,175,000	5.000	109.684[C]	3.830	451295G37
2040	17,670,000	5.000	109.160[C]	3.890	451295G45
2041	18,835,000	5.000	108.380[C]	3.980	451295G52
2042	20,055,000	5.000	107.693[C]	4.060	451295G60
2043	21,360,000	5.000	106.672[C]	4.180	451295G78
2044	22,755,000	5.000	106.249[C]	4.230	451295G86
2045	5,985,000	5.000	105.495[C]	4.320	451295G94

$57,275,000 5.250% Term Bond due March 1, 2050; Priced 106.508[C] to Yield 4.440%; CUSIP 451295H28†
$69,250,000 5.250% Term Bond due March 1, 2053; Priced 106.174[C] to Yield 4.480%; CUSIP 451295H36†
$60,000,000 4.375% Term Bond due March 1, 2053; Priced 96.931 to Yield 4.570%; CUSIP 451295H44†

[C] Priced to first optional call date of March 1, 2035.

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$92,510,000
IDAHO HEALTH FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2025B
(ST. LUKE'S HEALTH SYSTEM PROJECT)
(TERM MODE)

MATURITY (MARCH 1)	PRINCIPAL AMOUNT	SERIES 2025B LAST DAY OF INITIAL RATE PERIOD	MANDATORY TENDER DATE/ ADJUSTMENT DATE	INTEREST RATE	PRICE	YIELD	CUSIP†
2060	$92,510,000	February 29, 2032	March 1, 2032	5.000%	108.897[A]	3.470%	451295H51

$91,405,000
IDAHO HEALTH FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2025C
(ST. LUKE'S HEALTH SYSTEM PROJECT)
(TERM MODE)

MATURITY (MARCH 1)	PRINCIPAL AMOUNT	SERIES 2025C LAST DAY OF INITIAL RATE PERIOD	MANDATORY TENDER DATE/ ADJUSTMENT DATE	INTEREST RATE	PRICE	YIELD	CUSIP†
2060	$91,405,000	February 28, 2035	March 1, 2035	5.000%	110.209[C]	3.720%	451295H69

[A] Priced to first optional call date of September 1, 2031.

[C] Priced to first optional call date of September 1, 2034.

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REGARDING USE OF THIS OFFICIAL STATEMENT

The information relating to DTC and its book-entry only system set forth in APPENDIX G — "BOOK-ENTRY ONLY SYSTEM" has been furnished by DTC. All other information set forth herein has been obtained from the Authority, the Corporation, the other Obligated Group Members and other sources believed to be reliable, but such information is not guaranteed for accuracy or completeness and is not to be construed as the promise or guarantee of such parties or the Underwriters. No dealer, broker, salesperson or any other person has been authorized by the Authority, the Corporation, the other Obligated Group Members or the Underwriters to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority, the Corporation, the other Obligated Group Members or the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale of the Bonds made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the Corporation or the other Obligated Group Members or in any other information contained herein, since the date thereof.

This Official Statement does not constitute an offer to sell or solicitation of any offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

A wide variety of other information, including financial information, concerning the Obligated Group is available from publications and the website of the Obligated Group and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is part of or incorporated by reference 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 otherwise specified herein, such websites and the information or links contained therein are not incorporated into and are not a part of this Official Statement.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have 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 Underwriters do not guarantee the accuracy or completeness of such information.

In connection with this offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

None of the Authority, the Bond Trustee or the Master Trustee assumes any responsibility for this Official Statement and has not reviewed or undertaken to verify any information contained herein, except as specifically stated herein. The information relating to the Authority contained herein under the headings "INTRODUCTION — The Authority," "THE AUTHORITY" and "LITIGATION — The Authority" has been furnished by the Authority, and the Authority guarantees the accuracy and completeness only of the information applicable to it.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND NEITHER THE RELATED BOND INDENTURE NOR THE MASTER INDENTURE HAS BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE EXEMPTIONS FROM REGISTRATION AND FROM QUALIFICATION IN ACCORDANCE WITH APPLICABLE PROVISIONS OF FEDERAL OR STATE SECURITIES LAWS CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CAUTIONARY STATEMENTS REGARDING PROJECTIONS, ESTIMATES AND OTHER FORWARD LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. Such forward looking statements include, but are not limited to, certain statements contained in "BONDHOLDERS' RISKS" and "LITIGATION" in the forepart of this Official Statement and in APPENDIX A to this Official Statement.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS. NEITHER THE CORPORATION NOR THE OBLIGATED GROUP PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS OR THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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OFFICIAL STATEMENT

$395,170,000	$92,510,000	$91,405,000
IDAHO HEALTH FACILITIES AUTHORITY	IDAHO HEALTH FACILITIES AUTHORITY	IDAHO HEALTH FACILITIES AUTHORITY
Revenue Bonds, Series 2025A	Revenue Bonds, Series 2025B	Revenue Bonds, Series 2025C
(St. Luke's Health System Project)	(St. Luke's Health System Project)	(St. Luke's Health System Project)
(Fixed Mode)	(Term Mode)	(Term Mode)

INTRODUCTION

The descriptions and summaries of various documents herein set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of its terms and conditions. All statements herein are qualified in their entirety by reference to such documents. See APPENDIX C — "FORM OF MASTER INDENTURE" and APPENDIX D — "SUMMARY OF FINANCING DOCUMENTS — Definitions" for definitions of certain words and terms used but not otherwise defined herein.

Purpose of this Official Statement

This Official Statement, including the cover page and the Appendices, is provided to furnish information concerning the (i) $395,170,000 aggregate principal amount of Revenue Bonds, Series 2025A (St. Luke's Health System Project) (the *"Series 2025A Bonds"*), (ii) $92,510,000 aggregate principal amount of Revenue Bonds, Series 2025B (St. Luke's Health System Project) (the *"Series 2025B Bonds"*) and (iii) $91,405,000 aggregate principal amount of Revenue Bonds, Series 2025C (St. Luke's Health System Project) (the *"Series 2025C Bonds,"* and together with the Series 2025B Bonds, the "*Series 2025B/C Bonds*" and collectively with the Series 2025A Bonds and the Series 2025B Bonds, the *"Bonds"*), to be issued by the Idaho Health Facilities Authority (the *"Authority"*).

The Bonds

The Series 2025A Bonds will be issued under and secured by a Bond Indenture of Trust dated as of February 1, 2025 (the *"Series 2025A Bond Indenture"*), between the Authority and Zions Bancorporation, National Association, as Bond Trustee (the *"Bond Trustee"*), and in accordance with the provisions of the Act (as hereinafter defined). The Series 2025B Bonds will be issued under and secured by a Bond Indenture of Trust dated as of February 1, 2025 (the *"Series 2025B Bond Indenture"*), between the Authority and the Bond Trustee, and in accordance with the provisions of the Act. The Series 2025C Bonds will be issued under and secured by a Bond Indenture of Trust dated as of February 1, 2025 (the *"Series 2025C Bond Indenture,"* and collectively with the Series 2025A Bond Indenture and the Series 2025B Bond Indenture, the *"Bond Indentures"* and each, a *"Bond Indenture"*), between the Authority and the Bond Trustee, and in accordance with the provisions of the Act.

The proceeds from the sale of the Bonds will be lent by the Authority to St. Luke's Health System, Ltd., an Idaho nonprofit corporation (the *"Corporation"*), pursuant to separate Loan Agreements each dated as February 1, 2025 (each, a *"Loan Agreement"* and together, the *"Loan Agreements"*), between the Authority and the Corporation.

Plan of Finance

As part of the plan of finance that includes the issuance of the Bonds, the Authority also will issue (i) $125,850,000 in aggregate principal amount of its Variable Rate Revenue Bonds, Series 2025D (St. Luke's Health System Project) (the *"Series 2025D Bonds"*) and (ii) $70,260,000 in aggregate principal amount of its Variable Rate Revenue Bonds, Series 2025E (St. Luke's Health System Project) (the *"Series 2025E Bonds"* and, together with the Series 2025D Bonds, the *"Series 2025D/E Bonds"*). The Series 2025E Bonds will be purchased directly by Wells Fargo Bank, National Association (the *"Series 2025E Purchaser"*). The Bonds and the Series 2025D/E Bonds are collectively referred to herein as the *"Series 2025 Bonds."*

The proceeds of the Series 2025 Bonds will be used, together with certain other funds of the Members of the Obligated Group, to (i) finance or reimburse the Corporation for a portion of the costs of the acquisition, construction and equipping of a new hospital tower and adjoining medical office plaza located on or adjacent to the Boise Medical Center in downtown Boise, Idaho, and finance or reimburse the costs of acquiring constructing, or equipping healthcare facilities, including, but not limited to, land, buildings, and related equipment, and improvements and renovations to existing facilities; (ii) refund all of the outstanding principal amount of the Idaho Health Facilities Authority Revenue Bonds, Series 2014A (St. Luke's Health System Project) (the *"Series 2014A Bonds"*); (iii) refund all of the outstanding principal amount of the Idaho Health Facilities Authority Variable Rate Revenue Bonds, Series 2018D (St. Luke's Health System Project) (the *"Series 2018D Bonds"* and, together with the Series 2014A Bonds, the *"Prior Bonds"*); and (iv) pay certain costs of issuance.

See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Interest Rates

It is expected that the Series 2025A Bonds will be issued in a Fixed Mode and the Series 2025B Bonds and the Series 2025C Bonds will each be issued in a Term Mode in the related initial Rate Periods described on the inside cover page hereto. The Series 2025A Bonds will remain in the Fixed Mode until maturity unless redeemed or converted prior to maturity in accordance with the related Bond Indenture. After the applicable initial Rate Period specified on the inside cover page for each series of the Series 2025B/C Bonds, each series of such Series 2025B/C Bonds may continue in the Term Mode for one or more subsequent Rate Periods, may be converted to bear interest in another Mode or may be redeemed, as described in the related Bond Indenture. See "THE BONDS" herein.

Each series of the Bonds is being issued pursuant to a multi-modal bond indenture that provides that each such series of Bonds may operate in multiple interest rate modes as described in the related Bond Indenture. This Official Statement does not describe any terms or provisions that may in the future be applicable to any series of the Bonds. This Official Statement only summarizes the provisions of each of the related Bond Indentures applicable to the Series 2025A Bonds while operating in the Initial Fixed Mode and each series of the Series 2025B/C Bonds while operating in the related Initial Term Mode for such series of the Series 2025B/C Bonds. In the event that any series of the Bonds is converted to bear interest in a different Mode, such

Bonds will be subject to mandatory tender for purchase, and it is expected that a reoffering circular or a supplement to this Official Statement or other disclosure document will be prepared in connection with remarketing such Bonds at that time.

The Authority

The Authority is an independent public body politic and corporate constituting a public instrumentality of the State of Idaho (the *"State"*). The Authority was created by the Idaho Health Facilities Authority Act, constituting Chapter 134 of the Acts of 1972 of the State of Idaho, as amended, and Section 39-1441 *et seq*. of the Idaho Code, as amended (the *"Act"*). See "THE AUTHORITY" herein.

The Obligated Group

The Corporation, St. Luke's Regional Medical Center, Ltd., an Idaho nonprofit corporation (the *"Medical Center"*), St. Luke's Magic Valley Regional Medical Center, Ltd., an Idaho nonprofit corporation (*"Magic Valley"*), and St. Luke's Nampa Medical Center, Ltd., an Idaho nonprofit corporation (*"Nampa"*) (collectively, the *"Obligated Group,"* the *"Members of the Obligated Group"* or the *"Members"*), are currently the only Members of the Obligated Group established under the Master Indenture (as defined herein). Each of the Members is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the *"Code"*). The Medical Center, Magic Valley and Nampa are each affiliates of the Corporation. See APPENDIX A hereto for additional information concerning the Obligated Group, its history, organization, facilities and financial performance, as well as information concerning certain of the Corporation's other affiliates and subsidiaries that are not Members of the Obligated Group. The audited consolidated financial statements of the Corporation and subsidiaries (which include certain entities which are not Members of the Obligated Group) for the fiscal years ended September 30, 2024 and 2023 are attached hereto as APPENDIX B.

Security for the Bonds

Loan Agreements. The Bonds will be payable from, and secured by, payments made by the Corporation under the related Loan Agreement and from funds held by the Bond Trustee under the related Bond Indenture. The Corporation's obligations to make such payments under each Loan Agreement will be further secured by the hereinafter described related Series 2025A/B/C Obligation.

Existing Master Indenture. The Corporation and the other Members of the Obligated Group are parties to a Master Trust Indenture dated as of May 1, 1995, and amended and restated as of August 1, 2018, and as supplemented by the Series 2025 Supplemental Master Indentures described herein (as supplemented, the *"Existing Master Indenture"*), each between the Corporation, as Obligated Group Representative, and Computershare Trust Company, National Association, as successor to Wells Fargo Bank, National Association (formerly known as First Security Bank of Idaho, N.A.), as master trustee (the *"Master Trustee"*). The Existing Master Indenture authorizes the Members of the Obligated Group to issue Obligations to evidence and

secure the repayment of debt. The Existing Master Indenture provides that all of the Obligations issued thereunder, including the hereinafter described Series 2025 Obligations, are the joint and several general obligations of each Member of the Obligated Group (subject to the right of each such Member to terminate its status as a Member of the Obligated Group pursuant to the terms and conditions of the Existing Master Indenture).

Series 2025A/B/C Obligations. To secure its payment obligations with respect to the Series 2025A Bonds, the Obligated Group will issue its Obligation No. 31 (the *"Series 2025A Obligation"*) pursuant to the Twenty Seventh Supplemental Master Trust Indenture dated as of February 1, 2025 (the *"Series 2025A Supplemental Master Indenture"*), supplementing the Existing Master Indenture. To secure its payment obligations with respect to the Series 2025B Bonds, the Obligated Group will issue its Obligation No. 32 (the *"Series 2025B Obligation"*) pursuant to the Twenty Eighth Supplemental Master Trust Indenture dated as of February 1, 2025 (the *"Series 2025B Supplemental Master Indenture"*) supplementing the Existing Master Indenture. To secure its payment obligations with respect to the Series 2025C Bonds, the Obligated Group will issue its Obligation No. 33 (the *"Series 2025C Obligation"* and collectively with the Series 2025A Obligation and the Series 2025B Obligation, the *"Series 2025A/B/C Obligations"*) pursuant to the Twenty Nineth Supplemental Master Trust Indenture dated as of February 1, 2025 (the *"Series 2025C Supplemental Master Indenture,"* and collectively with the Series 2025A Supplemental Master Indenture and the Series 2025B Supplemental Master Indenture, the *"Series 2025A/B/C Supplemental Master Indentures"*) supplementing the Existing Master Indenture.

Second Amendment and Restatement of the Existing Master Indenture. Concurrently with the issuance of the Series 2025 Bonds, the Existing Master Indenture is expected to be amended and restated by a Master Trust Indenture (Second Amended and Restated) to be dated as of February 1, 2025 (the *"Second Amended and Restated Master Indenture"* and, as amended and supplemented from time to time, the *"Master Indenture"*), between the Corporation, as Obligated Group Representative, and the Master Trustee. **By purchase of the Bonds on their date of issuance, the purchasers and the Beneficial Owners, on behalf of themselves and all subsequent holders of the Bonds, irrevocably consent, and shall be deemed to have irrevocably consented, to the amendment and restatement of the Existing Master Indenture as set forth in the Second Amended and Restated Master Indenture.**

The effectiveness of the Second Amended and Restated Master Indenture is conditioned upon obtaining the consent of the holders of a majority in aggregate principal amount of the Obligations (as defined in the Existing Master Indenture) outstanding under the Existing Master Indenture (the *"Required Consents"*). The Corporation expects that the Required Consents will be obtained by the date of issuance of the Bonds and that the Second Amended and Restated Master Indenture will be effective on the date of issuance of the Bonds. No additional consent of the purchasers or Beneficial Owners of the Bonds is required for the Second Amended and Restated Master Indenture to take effect.

The Series 2025A/B/C Obligations will be issued under and secured by the Existing Master Indenture until the Second Amended and Restated Master Indenture takes effect, which is expected to occur on the date of issuance of the Bonds. Upon the effectiveness of the Second Amended and

Restated Master Indenture, the Series 2025A/B/C Obligations, together with all other then outstanding Obligations, will be secured by and subject to the Second Amended and Restated Master Indenture. Under the Second Amended and Restated Master Indenture, as security for the Obligations, including the Series 2025A/B/C Obligations, the Members of the Obligated Group have granted to the Master Trustee a security interest (within the meaning of the Idaho Uniform Commercial Code and to the extent permitted by law) in their respective Pledged Accounts (as hereinafter defined), subject only to Permitted Liens.

The terms and provisions of the Master Indenture described in this Official Statement are those terms and provisions of the Second Amended and Restated Master Indenture. See "SECURITY FOR THE BONDS — The Master Indenture" herein and "FORM OF MASTER INDENTURE" in APPENDIX C.

Limited Obligations

The Bonds are limited obligations of the Authority and do not constitute a debt or liability of the State of Idaho, its legislature or any of its political subdivisions or agencies other than the Authority to the extent herein described. No provision in the Loan Agreements or any obligations therein imposed upon the Authority, or the breach thereof, will constitute an indebtedness or liability of the Authority within the meaning of any Idaho constitutional provision or statutory limitation or will constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit. For a more detailed description of the Bonds and the security therefor, see "THE BONDS" and "SECURITY FOR THE BONDS" herein.

Bondholders' Risks

There are risks associated with the purchase of the Bonds. See "BONDHOLDERS' RISKS" herein for a discussion of certain of these risks.

Continuing Disclosure

In connection with the issuance of the Bonds, the Corporation will undertake to provide certain annual and quarterly financial and operating information and notices of the occurrence of certain events. See "CONTINUING DISCLOSURE" herein.

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THE CORPORATION AND THE OBLIGATED GROUP

The Corporation, the other Members of the Obligated Group, and their subsidiaries comprise the St. Luke's Health System (the *"Health System"* or *"St. Luke's"*), an Idaho-based healthcare system providing comprehensive integrated healthcare services throughout the communities it serves. The Health System is headquartered in Boise, Idaho and provides comprehensive population health services, inpatient and outpatient services, rehabilitation services and physician services through the operation of acute care facilities, long-term care facilities and clinics and various other healthcare facilities and programs.

Under the Master Indenture, only the Obligated Group is obligated to make payments on the Obligations, including the Series 2025A/B/C Obligations. Under the Master Indenture, the Obligated Group covenants to make certain financial reporting and to comply with certain financial thresholds as more fully described therein. At the option of the Obligated Group Representative, under certain circumstances, such financial reporting and compliance with such financial thresholds may be based upon the audited financial statements of the Health System. As of September 30, 2024 and September 30, 2023, respectively, the Obligated Group accounted for approximately 95% and 94% of the total assets and approximately 97% and 98% of the total liabilities of the Health System.

See APPENDIX A — "ST. LUKE'S HEALTH SYSTEM" for additional information concerning the Corporation, the other Members of the Obligated Group and the Health System. See also "SECURITY FOR THE BONDS – The Master Indenture" herein and "FORM OF MASTER INDENTURE" in APPENDIX C to this Official Statement. The consolidated audited financial statements of the Health System for the fiscal years ended September 30, 2024 and 2023 are set forth in APPENDIX B to this Official Statement.

PLAN OF FINANCE

Overview

The issuance of the Bonds is a component of the Obligated Group's plan of finance. The primary components are described in this section. However, such plan of finance may be revised by management of the Health System from time to time in response to market developments and other factors subsequent to the date of this Official Statement or the issuance of the Bonds.

The Bonds

Series 2025A Bonds. The proceeds from the sale of the Series 2025A Bonds will be used, together with certain other funds of the Members of the Obligated Group, to (i) finance or reimburse the Corporation for a portion of the costs of the acquisition, construction and equipping of a new hospital tower and adjoining medical office plaza located on or adjacent to the Boise Medical Center in downtown Boise, Idaho, and finance or reimburse the costs of acquiring constructing, or equipping healthcare facilities, including, but not limited to, land, buildings, and related equipment, and improvements and renovations to existing facilities, as further described

below (collectively, the *"Projects"*); (ii) refund all of the outstanding principal amount of the Series 2014A Bonds; and (iii) pay certain costs relating to the issuance of the Bonds.

Series 2025B Bonds. The proceeds from the sale of the Series 2025B Bonds will be used to (i) finance or reimburse the Corporation for a portion of the costs of the Projects and (ii) pay certain costs relating to the issuance of the Bonds.

Series 2025C Bonds. The proceeds from the sale of the Series 2025C Bonds will be used to (i) finance or reimburse the Corporation for a portion of the costs of the Projects and (ii) pay certain costs relating to the issuance of the Bonds.

Refunding and Redemption of Series 2014A Bonds. The Series 2014A Bonds were issued in the original aggregate principal amount of $166,135,000, of which $139,240,000 will be outstanding as of the date of issuance of the Series 2025 Bonds. It is expected that a portion of the proceeds of the Series 2025A Bonds will be deposited with the bond trustee for the Series 2014A Bonds and be used to refund all of the outstanding Series 2014A Bonds on the date of issuance of the Series 2025 Bonds (the "*Series 2014A Redemption Date*") at a redemption price of 100% of the principal amount thereof plus accrued and unpaid interest to the Series 2014A Redemption Date.

Concurrent Issuance of Series 2025D/E Bonds

Series 2025D Bonds. Concurrently with the issuance of the Bonds, the Corporation has requested that the Authority issue the Series 2025D Bonds pursuant to a separate bond trust indenture between the Authority and Zions Bancorporation, National Association, as trustee. The Series 2025D Bonds are expected to bear interest at a daily or weekly rate established in accordance with the related bond trust indenture and be subject to mandatory and optional tender and redemption as described therein. Payment of the principal of, interest on, and purchase price for the Series 2025D Bonds is expected to be supported by an irrevocable direct pay letter of credit issued by TD Bank, N.A. (the "*2025D Credit Provider*"). The Series 2025D Bonds are expected to be publicly offered for sale, and the proceeds from the sale thereof loaned to the Corporation pursuant to a separate loan agreement between the Corporation and the Authority.

To secure its payment obligations with respect to the Series 2025D Bonds, the Obligated Group is expected to issue its Obligation No. 34 (the "*Series 2025D Bond Obligation*") pursuant to the Thirtieth Supplemental Master Trust Indenture dated as of February 1, 2025 (the "*Series 2025D Supplemental Master Indenture*"), between the Obligated Group and the Master Trustee, supplementing the Existing Master Indenture. To secure its payment obligations with respect to the 2025D Credit Provider, the Obligated Group is expected to issue its Obligation No. 35 (the "*Series 2025D Bank Obligation*") pursuant to the Series 2025D Supplemental Master Indenture.

The Corporation will use the proceeds from the sale of the Series 2025D Bonds to (i) finance or reimburse the Corporation for a portion of the costs of the Projects, (ii) refund all of the outstanding Series 2018D Bonds and (iii) pay certain costs relating to the issuance of the Series 2025D/E Bonds.

Refunding of Series 2018D Bonds. The Series 2018D Bonds were issued in the original aggregate principal amount of $70,000,000, all of which will be outstanding as of the date of issuance of the Series 2025 Bonds. The Series 2018D Bonds were purchased by Wells Fargo Municipal Capital Strategies, LLC, on a direct purchase basis. It is expected a portion of the proceeds of the Series 2025D Bonds will be deposited with the bond trustee for the Series 2018D Bonds and be used to refund all of the outstanding Series 2018D Bonds on the date of issuance of the Series 2025 Bonds (the "*Series 2018D Redemption Date*") at a redemption price of 100% of the principal amount thereof plus accrued and unpaid interest to the Series 2018D Redemption Date.

Series 2025E Bonds. Concurrently with the issuance of the Bonds, the Corporation has requested that the Authority issue the Series 2025E Bonds pursuant to a separate bond trust indenture between the Authority and Zions Bancorporation, National Association, as trustee. The Series 2025E Bonds are expected to bear interest at a variable rate of interest based upon an index formula using SIFMA as the index and established in accordance with the related bond trust indenture. The Series 2025E are expected to be offered for sale on a direct purchase private placement basis to the Series 2025E Purchaser and the proceeds from the sale thereof loaned to the Corporation pursuant to a separate loan agreement between the Corporation and the Authority.

To secure its payment obligations with respect to the Series 2025E Bonds, the Obligated Group is expected to issue its Obligation No. 36 and its Obligation No. 37 (the "*Series 2025E Obligations*" and collectively with the Series 2025A/B/C Obligations, the Series 2025D Bond Obligation and the Series 2025D Bank Obligation, the "*Series 2025 Obligations*") each pursuant to the Thirty-First Supplemental Master Trust Indenture dated as of February 1, 2025 (the "*Series 2025E Supplemental Master Indenture*"), between the Obligated Group and the Master Trustee, supplementing the Existing Master Indenture.

The Corporation will use the proceeds from the sale of the Series 2025E Bonds to (i) finance or reimburse the Corporation for a portion of the costs of the Projects and (ii) pay certain costs relating to the issuance of the Series 2025D/E Bonds.

Neither the Series 2025D Bonds nor the Series 2025E Bonds are being offered for sale pursuant to this Official Statement.

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The Projects

Overview. A portion of the proceeds of each series of the Series 2025 Bonds will be used to finance or reimburse certain costs relating to the Projects. The Projects will include the new hospital tower and a new medical office plaza. The Projects are currently expected to cost approximately $1.2 billion, of which approximately $600 million will be financed with proceeds of the Series 2025 Bonds. Construction on the Projects began in June, 2024 and is expected to be completed in 2029. The Corporation currently expects to apply approximately $110 million of the proceeds of the Series 2025 Bonds to reimburse itself for costs heretofore paid with respect to the Projects.

See "THE PROJECTS" in APPENDIX A hereto for a more detailed discussion of the Projects.

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ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of the proceeds of the Series 2025 Bonds.

	Series 2025A Bonds	Series 2025B Bonds	Series 2025C Bonds	Series 2025D Bonds	Series 2025E Bonds	Total[1]
Sources of Funds						
Par Amount	$395,170,000	$92,510,000	$91,405,000	$125,850,000	$70,260,000	$775,195,000
Net Premium	24,855,210	8,230,615	9,331,536	-	-	42,417,361
Funds on Deposit for the Prior Bonds and Certain Other Funds	2,397	-	-	-	-	2,397
Total Sources[1]	$420,027,607	$100,740,615	$100,736,536	$125,850,000	$70,260,000	$817,614,758
Uses of Funds						
Costs of the Projects	$275,000,000	$100,000,000	$100,000,000	$55,000,000	$70,000,000	$600,000,000
Refunding of the Series 2014A Bonds	142,213,078	-	-	-	-	142,213,078
Refunding of the Series 2018D Bonds[2]	-	-	-	70,000,000	-	70,000,000
Costs of Issuance[3]	2,814,528	740,615	736,536	850,000	260,000	5,401,679
Total Uses[1]	$420,027,607	$100,740,615	$100,736,536	$125,850,000	$70,260,000	$817,614,758

(1) Totals may not foot due to rounding.
(2) Excludes accrued interest on the Series 2018D Bonds, which is expected to be paid at closing with equity of the Corporation.
(3) Includes Underwriters' discount, printing costs, Bond Trustee and Master Trustee fees, Authority fees, legal, rating agency, financial advisor and auditor fees, and other miscellaneous costs of issuing the Series 2025 Bonds.

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THE AUTHORITY

Organization

The Idaho Health Facilities Authority, organized in 1972, is an independent public body politic and corporate constituting a public instrumentality of the State of Idaho. The Authority was created by the Act. The purpose of the Act is to provide a measure of assistance and alternative methods to enable health institutions in Idaho to finance or refinance health facilities and to provide additional facilities for related health care purposes.

Members of the Authority

The Act provides that the Authority shall consist of seven members appointed to staggered five-year terms by the Governor. Members must be Idaho residents, and not more than four members may be of the same political party.

The Authority currently has six members and one vacancy. The current members of the Authority, the dates their current terms expire and their principal occupations are as follows:

Kerrie Murray, Chair. Ms. Murray, a resident of Boise, Idaho, is a retired banker and civic leader. She was first appointed on May 3, 2021, and her term as member expires July 1, 2025. Ms. Murray currently serves the Authority as chair.

Tom Katsilometes, Vice Chair. Mr. Katsilometes, a resident of Boise, Idaho, is a retired Commissioner of the Idaho State Tax Commission. Mr. Katsilometes was first appointed in February, 2000, and his term as a member expired July 1, 2024. Mr. Katsilometes has applied for re-appointment by the Governor and continues to serve until he is reappointed by the Governor or replaced by a new member by the Governor. Mr. Katsilometes currently serves the Authority as vice-chair.

Michael P. Wilson. Mr. Wilson, a resident of Coeur d'Alene, Idaho, is a self-employed Business Consultant. He was first appointed in June, 1998, and his term as a member expires July 1, 2028.

John "Rick" Katovich, MD. Dr. Katovich, a resident of Harrison, Idaho, is a physician, specializing in Family Practice. He was first appointed in February, 2000, and his term as a member expired July 1, 2024. Dr. Katovich has not applied for reappointment but continues to serve until the Governor appoints a replacement member.

B.J. Swanson. Ms. Swanson, a resident of Troy, Idaho, is a retired Vice President and Manager of AmericanWest Bank, retired Board Chair of Gritman Medical Center and owns Principal Analytics, a business consulting and construction management firm. Ms. Swanson was elected as Latah County Treasurer and commenced her first term on January 14, 2019. She was first appointed in October, 2012, and her term as a member expires July 1, 2026.

Doug Crabtree. Mr. Crabtree, a resident of Ammon, Idaho, is a retired hospital Chief Executive Officer and a current professor at Idaho State University. Mr. Crabtree was first appointed in October 2023 and his term as a member expires July 1, 2028.

Executive Staff

The Executive Director of the Authority is Christian Anderson. Mr. Anderson began his full duties as Executive Director on March 1, 2022. Mr. Anderson's previous experience includes municipal advisory, underwriting, and direct purchase services provided to municipalities throughout Idaho, including to several Authority borrowers.

The Associate Executive Director of the Authority is Jeanne Phillips. Ms. Phillips, a resident of Boise, Idaho, has worked in various capacities for the Authority since 1998. She was appointed Associate Executive Director in August, 2016.

The mailing address of the Authority is P.O. Box 8867, Boise, Idaho 83707, the office of the Authority and the Executive Director is located at 1087 West River Street, Suite 250, Boise, Idaho 83702, and the Authority's telephone number is (208) 342-8772.

Financial Advisor

PFM Financial Advisors LLC, New York, New York, serves as financial advisor to the Authority in connection with the issuance of the Bonds.

Powers of the Authority

Under the Act, the Authority has the powers, among others, (a) to borrow money and to issue bonds, notes, bond anticipation notes or other obligations for any of its corporate purposes and to refund the same, (b) to acquire, construct, reconstruct, renovate, improve, replace, maintain, repair, operate, lease as lessee or lessor and regulate any facility to be financed under the Act, to enter into contracts for any and all such purposes and for the management and operation of a facility or to designate a participating health institution as its agent to perform such acts, (c) to lease to a participating health institution any or all of the facilities upon such terms and conditions as the Authority shall deem proper, (d) to fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and services furnished or to be furnished by facilities, (e) to mortgage all or any portion of the facilities and the site or sites thereof for the benefit of the holders of bonds issued to finance such facilities or any portion thereof, (f) to make loans to any participating health institution, for the cost of the facilities in accordance with an agreement between the Authority and such participating health institution, (g) to make mortgage loans or other secured or unsecured loans to a participating health institution, to refund outstanding obligations, mortgages or advances issued, made or given by such institution for the cost of its facilities including the function to issue bonds and make loans to a participating health institution and to refinance outstanding obligations and indebtedness incurred for facilities undertaken and completed prior to or after the enactment of the Act, subject to certain conditions set forth in the Act, (h) to do all things necessary and convenient to carry out the purposes of the Act and (i) to

charge to and equitably apportion among participating health institutions the administrative costs and expenses of the Authority. The Authority does not have the power to operate facilities as a business other than as a lessee or lessor.

The Authority may impose upon any health institution applying to the Authority for financial assistance an initial planning service fee and an annual planning service fee in amounts to be determined by the Authority. These fees may be used to pay various expenses of the Authority, including administrative expenses, and to provide reserves for unanticipated future expenses.

The Authority has offered and plans to offer other obligations from time to time to finance other health care facilities in Idaho. Such obligations have been and will be issued pursuant to instruments separate and apart from the Bond Indentures and are payable from revenue-producing properties separate and apart from the revenue-producing properties from which the Bonds are payable.

Special Obligations of the Authority

THE BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY AND DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF IDAHO, ITS LEGISLATURE, OR ANY OF ITS POLITICAL SUBDIVISIONS OR AGENCIES OTHER THAN THE AUTHORITY BUT ONLY TO THE LIMITED EXTENT HEREIN DESCRIBED. THE AUTHORITY IS NOT AUTHORIZED TO LEVY OR COLLECT ANY TAXES OR ASSESSMENTS TO PAY THE BONDS OR FOR ANY OTHER PURPOSE. THE AUTHORITY HAS NO TAXING POWER.

THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds for the complete text thereof and to the related Bond Indenture for all of the provisions relating to the Bonds. Capitalized terms used under this heading "THE BONDS," but not defined herein, shall have the meanings set forth in the Bond Indentures. See APPENDIX D — "SUMMARY OF FINANCING DOCUMENTS." The discussion herein is qualified by such reference.

General

Each series of the Bonds is being issued as multi-modal bonds. It is expected that initially (i) the Series 2025A Bonds will operate in the Fixed Mode and bear interest at the Fixed Rates described on the inside cover page to this Official Statement (the "Initial Fixed Mode"), and (ii) each series of the Series 2025B/C Bonds will operate in the Term Mode with such series bearing interest at the Term Rates for the related Rate Periods described on the inside cover page to this Official Statement (together, the "Initial Term Modes"). This Official Statement only summarizes the provisions of each of the related Bond Indentures applicable to the Series 2025A Bonds while operating in the Initial Fixed Mode and applicable to each series of the Series 2025B/C Bonds while operating in the related Initial Term Mode. In the event that any series of the Bonds is converted to bear interest in a different Mode or Rate Period, such Bonds will be subject to mandatory tender for purchase, and it is expected that a reoffering

circular or a supplement to this Official Statement or other disclosure document will be prepared in connection with remarketing such Bonds at that time.

The Bonds of each series will be dated their date of issuance (the *"Date of Issuance"*). The Bonds of each series are being issued in the aggregate principal amounts set forth on the front cover page hereof and will mature, subject to the optional redemption (or mandatory tender), mandatory redemption and extraordinary redemption provisions set forth below, in the amounts and on the dates set forth on the inside front cover pages hereof. The Bonds of each series may be converted to bear interest in another Mode, as described in each Bond Indenture and as summarized below. The Bonds of each series must operate in the same Mode at the same time. See APPENDIX D — "SUMMARY OF FINANCING DOCUMENTS."

The Bonds of each series will be issued as fully registered bonds in the Authorized Denominations of $5,000 or any integral multiple thereof.

Beneficial interests in the Bonds will initially be issued pursuant to a Book-Entry Only System (the *"Book-Entry Only System"*) maintained by The Depository Trust Company, New York, New York (*"DTC"*), as described in APPENDIX G — "BOOK-ENTRY ONLY SYSTEM." DTC, together with any such successor securities depository, is hereinafter referred to as the "Securities Depository." The holders of the Bonds have no right to a Book-Entry Only System for the Bonds.

Under the related Bond Indenture, the Authority may remove a Securities Depository. In the event that the Authority determines to remove a Securities Depository, the Authority will (i) appoint a successor Securities Depository, notify the Securities Depository and Direct Participants (as defined in APPENDIX G hereto) of the appointment of such Securities Depository, and transfer one or more separate Bond certificates of the related series to such successor or (ii) notify the Securities Depository of the availability through the Securities Depository of Bond certificates of the related series and transfer one or more separate Bond certificates of the related series to the Direct Participants (as defined in APPENDIX G hereto) of the Securities Depository having Bonds credited to their accounts with the Securities Depository. In such event, the Bonds of either series will no longer be restricted to being registered in the related Bond Register in the name of the Securities Depository or its nominee, but may be registered in the name of any successor Securities Depository, or its nominee, or in whatever name or names the Direct Participants of the Securities Depository receiving Bonds shall designate.

Interest Provisions

Series 2025A Bonds. The Series 2025A Bonds will operate in the Fixed Mode and will bear interest at the Fixed Rates set forth on the inside cover page hereto. Interest on the Series 2025A Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on the Series 2025A Bonds will be payable on March 1 and September 1 of each year, commencing September 1, 2025. The regular record date for the Series 2025A Bonds will be February 15 and August 15 (whether or not a Business Day); *provided, however,* that if the Conversion Date shall occur on or after February 15 but prior to March 1 or on or after August 15 but prior to September 1, the Record Date shall be the Conversion Date.

Series 2025B/C Bonds. Each series of the Series 2025B/C Bonds will operate in the Term Mode. Each series of the Series 2025B/C Bonds will operate in the Rate Periods and bear interest during such Rate Periods as set forth on the inside cover page hereto. Interest on the Series 2025B/C Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on each series of the Series 2025B/C will be payable on each March 1 and September 1 of each year, commencing September 1, 2025. The regular record date for each series of the Series 2025B/C Bonds will be February 15 and August 15 (whether or not a Business Day); *provided, however,* that if the Conversion Date shall occur on or after February 15 but prior to March 1 or on or after August 15 but prior to September 1, the Record Date shall be the Conversion Date.

General. The Bonds will bear interest from the Date of Issuance thereof until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions of the related Bond Indenture, whether at maturity, upon redemption, acceleration or otherwise. Interest accrued on the Series 2025B/C Bonds during each Rate Period shall be paid in arrears on each Interest Payment Date. At no time shall the Bonds bear interest at a rate higher than the Maximum Interest Rate.

Each Bond will bear interest on overdue principal and, to the extent permitted by law, on overdue premium, if any, and interest at the rate borne by such Bond from the date on which such principal, premium or interest became due and payable. The foregoing notwithstanding, no interest will accrue on any Bond prior to its date of initial delivery or after the maturity or redemption date therefor (provided the redemption price is paid or provided for in accordance with the provisions of the related Bond Indenture) or after the date on which a Bond is accelerated.

Payment Provisions

The principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal of and premium, if any, on any Bonds shall be payable at the Principal Office of the Bond Trustee, upon presentation and surrender of such Bonds. Any payment of the purchase price of a Bond subject to mandatory tender for purchase shall be payable at the Principal Office of the Bond Trustee, upon presentation and surrender of such Bond. Payment of interest on Bonds will be paid by check mailed by first class mail, postage prepaid on the Interest Payment Date to the Person appearing on the Bond Register as the registered owner thereof as of the close of business of the Bond Trustee on the Record Date at the address of such owner as it appears on the Bond Register. Payment of interest on any Bond shall be made to any owner of $1,000,000 or more in aggregate principal amount of Bonds as of the close of business of the Bond Trustee on the Record Date for a particular Interest Payment Date by wire transfer to such owner on such Interest Payment Date upon written notice from such owner containing the wire transfer address within the continental United States to which such owner wishes to have such wire directed, which written notice is received not later than the Business Day next preceding the Record Date, and such written instructions for payment by wire shall remain in effect until written notice otherwise shall have been provided to the Bond Trustee. Notwithstanding the foregoing, payment of Defaulted Interest on Bonds will be made to the

persons who shall be the registered owners thereof on the Special Record Date which shall be not more than fifteen nor less than ten days prior to the date of payment of such Defaulted Interest.

The foregoing notwithstanding, as long as the Bonds operate in the Book-Entry Only System of DTC, payment of principal of, premium, if any, and interest on the Bonds shall be payable in accordance with the customary procedures of DTC.

Tenders; Conversion

Series 2025A Bonds

Tender Upon Request of Obligated Group Representative. Upon the written request of the Corporation, as the Obligated Group Representative, the Authority may cause a mandatory tender of Series 2025A Bonds in the Initial Fixed Mode on any date on which the Series 2025A Bonds would otherwise be subject to optional redemption at par pursuant to the Series 2025A Bond Indenture, which date shall be specified by the Corporation's written request and such Series 2025A Bonds shall thereupon be subject to mandatory tender at a purchase price of par plus accrued interest to the mandatory tender date. Notice of such mandatory tender of the Series 2025A Bonds will be given by the Bond Trustee not less than 20 days or more than 60 days prior to such mandatory tender date. Upon such mandatory tender, the Obligated Group Representative, may (but is not obligated to) designate a different Mode with respect to such Series 2025A Bonds. If notice of mandatory tender has been given and funds prove insufficient, the Series 2025A Bonds shall not be purchased and shall continue in the Initial Fixed Mode, without change in interest rate, maturity date or other terms.

Conversion to Subsequent Fixed Mode. While the Series 2025A Bonds are operating in the Initial Fixed Mode, the Series 2025A Bonds may be converted to operate in a Subsequent Fixed Mode, at the direction of the Obligated Group Representative, on any Business Day occurring on or after the date on which the Series 2025A Bonds would otherwise be subject to optional redemption at par upon satisfaction of certain conditions set forth in the Series 2025A Bond Indenture. Under the Series 2025A Indenture, at least 30 days prior to the Conversion Date, the Bond Trustee will give written notice of such election by the Obligated Group Representative to the owners of the Series 2025A Bonds that will state (i) the Conversion Date and (ii) that such Series 2025A Bonds will be subject to mandatory purchase on such Conversion Date. If such conversion does not occur for any reason, including in the event that any condition precedent to the conversion does not occur, such Series 2025A Bond shall remain in the Initial Fixed Mode bearing interest at the Fixed Rates set forth on the inside cover page hereof.

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Series 2025B/C Bonds

Mandatory Tender on Adjustment Date. While each series of the Series 2025B/C Bonds are operating in the related Initial Term Mode, each series of the Series 2025B/C Bonds is subject to mandatory tender and purchase on the related Adjustment Date immediately following the last day of the related Adjustment Period (which is also a Rate Change Date), at a purchase price equal to 100% of the principal amount thereof. The Series 2025B Bonds will be subject to mandatory tender on the initial Adjustment Date of March 1, 2032. The Series 2025C Bonds will be subject to mandatory tender on the initial Adjustment Date of March 1, 2035.

Not later than the 15th day next preceding the related Adjustment Date immediately following the last day of the related Adjustment Period (which is also a Rate Change Date) for the related Rate Period, the Bond Trustee shall give notice by mail to the owners of such series of the Series 2025B/C Bonds stating (i) the last day of the Adjustment Period then ending and (ii) that such series of the Series 2025B/C Bonds are required to be purchased on such Adjustment Date immediately following the last day of the Adjustment Period then ending (which is also a Rate Change Date). An owner of any such Series 2025B Bond or Series 2025C Bond may not elect to retain its Series 2025B Bond or Series 2025C Bond, as applicable. The foregoing notwithstanding, the failure of the Bond Trustee to give such notice or cause such notice to be given will not affect the requirement of such owners to tender their Series 2025B Bond or Series 2025C Bond, as applicable for purchase.

Under each related Bond Indenture, the Obligated Group Representative may designate a new Mode on any Rate Change Date. Any failure to pay the principal of and interest on any such Series 2025B Bond or Series 2025C Bond pursuant to a mandatory tender will constitute an Event of Default under the related Bond Indenture.

Purchase of the Bonds

Remarketing Agent. Prior to the date that any series of the Bonds is subject to mandatory tender for purchase, the Corporation, with the consent of the Authority, will appoint a Remarketing Agent. Any such Remarketing Agent will agree to, among other things to use its best efforts to remarket each series of the Bonds that are subject to mandatory tender for purchase pursuant to the related Bond Indenture.

Tenders of the Bonds Are Subject to DTC Procedures. As long as the book-entry system is in effect, all tenders for purchase and deliveries of Bonds subject to mandatory tender under the provisions of the applicable Bond Indenture will be made pursuant to the procedures of DTC, as in effect from time to time, and none of the Corporation, the Authority, the Bond Trustee or the remarketing agent shall have any responsibility for or liability with respect to the implementation of such procedures. See APPENDIX G — "BOOK-ENTRY ONLY SYSTEM."

Payment of the Purchase Price

Funds for the purchase of Bonds that have been tendered for purchase will be provided, first, from the proceeds of the remarketing of such Bonds, second, with respect to the Series 2025A

Bonds, moneys received from the underwriter or purchaser upon conversion of the Series 2025A Bonds to a Subsequent Fixed Mode and third, to the extent remarketing proceeds are insufficient to provide all funds required to purchase such Bonds, from funds provided by the Corporation, any other Member of the Obligated Group or any of their Affiliates. *The obligation to purchase Bonds upon mandatory tender is not supported by any form of liquidity agreement.* The failure to pay the purchase price of any Bonds mandatorily tendered for purchase will constitute an event of default under the related Bond Indenture. See APPENDIX D — "SUMMARY OF FINANCING DOCUMENTS — The Bond Indenture — Events of Defaults."

Redemptions

Optional Redemption of the Series 2025A Bonds

During the Initial Fixed Mode, the Series 2025A Bonds maturing on or after March 1, 2036 will be subject to redemption prior to maturity, at the option of the Authority upon direction of the Obligated Group Representative, out of amounts prepaid on the Series 2025A Obligation, from moneys on deposit in the Redemption Fund created by the Series 2025A Bond Indenture, in whole or in part (and if in part in a Series 2025A Authorized Denomination) on any date on or after on March 1, 2035 as provided in the Series 2025A Bond Indenture. Such Series 2025A Bonds will be redeemable at 100% of the principal amount of the Series 2025A Bonds to be redeemed plus accrued interest thereon to the redemption date.

Optional Redemption of the Series 2025B/C Bonds

Series 2025B Bonds. During the Initial Term Mode for the Series 2025B Bonds, the Series 2025B Bonds will be subject to redemption prior to maturity during each Rate Period therein at the option of the Authority upon direction of the Obligated Group Representative and an election to prepay the Series 2025B Obligation, from moneys on deposit in the Redemption Fund created by the Series 2025B Bond Indenture on any Business Day occurring on or after September 1, 2031 (which is six months prior to the Adjustment Date), at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any, to the redemption date.

Series 2025C Bonds. During the Initial Term Mode, for the Series 2025C Bonds, the Series 2025C Bonds will be subject to redemption prior to maturity at the option of the Authority upon direction of the Obligated Group Representative and an election to prepay the Series 2025C Obligation, from moneys on deposit in the Redemption Fund created by the Series 2025C Bond Indenture, on any Business Day occurring on or after September 1, 2034 (which is six months prior to the Adjustment Date), at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any, to the redemption date.

Extraordinary Optional Redemption of the Bonds

Each series of the Bonds is subject to redemption prior to maturity at the option of the Authority upon direction of the Obligated Group Representative and an election to prepay the related Series 2025A/B/C Obligation in the event of damage to or destruction of the respective

Hospital Facilities or any part thereof or condemnation (or sale consummated under threat of condemnation) of the respective Hospital Facilities or any part thereof, if the net proceeds of insurance or condemnation (or sale) received in connection therewith and applied to make prepayments on such related Series 2025A/B/C Obligation exceeds 10% of the Book Value of the Property, Plant and Equipment of the Obligated Group. If called for redemption in such event, such Bonds of such series will be subject to redemption by the Authority at any time, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date; *provided, however*, that in no event will the principal amount of Bonds so redeemed exceed the amount of such net proceeds.

Mandatory Sinking Fund Redemption of the Series 2025A Bonds

The Series 2025A Bonds maturing on March 1, 2050 are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, on March 1 of the years and in the amounts set forth in the following table:

YEAR (MARCH 1)	AMOUNT ($)
2046	3,090,000
2047	3,270,000
2048	1,220,000
2049	24,195,000
2050†	25,500,000

† Final maturity

The Series 2025A Bonds maturing on March 1, 2053 and bearing interest at 5.250% are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, on March 1 of the years and in the amounts set forth in the following table:

YEAR (MARCH 1)	AMOUNT ($)
2051	14,455,000
2052	33,410,000
2053†	21,385,000

† Final maturity

The Series 2025A Bonds maturing on March 1, 2053 and bearing interest at 4.375% are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, on March 1 of the years and in the amounts set forth in the following table:

YEAR (MARCH 1)	AMOUNT ($)
2051	12,365,000
2052	29,020,000
2053†	18,615,000

† Final maturity

Mandatory Sinking Fund Redemption of the Series 2025B/C Bonds

Series 2025B Bonds. The Series 2025B Bonds are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, on March 1 of the years and in the amounts set forth in the following table:

YEAR (MARCH 1)	AMOUNT ($)
2053	2,500,000
2054	13,000,000
2055	13,000,000
2056	13,000,000
2057	13,000,000
2058	13,000,000
2059	13,000,000
2060†	12,010,000

† Final maturity

Series 2025C Bonds. The Series 2025C Bonds are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, on March 1 of the years and in the amounts set forth in the following table:

YEAR (MARCH 1)	AMOUNT ($)
2053	2,500,000
2054	13,000,000
2055	13,000,000
2056	13,000,000
2057	13,000,000
2058	13,000,000
2059	13,000,000
2060†	10,905,000

† Final maturity

General Provisions Regarding Redemptions

Minimum Aggregate Principal Amount. No redemption of less than all of the Bonds of any series outstanding shall be made pursuant to the related Bond Indenture unless the Aggregate Principal Amount of such series of Bonds to be redeemed is equal to $5,000 or integral multiples thereof. Any redemption of less than all of the Bonds of any series outstanding shall be made in such a manner so as to assure that after such redemption no owner shall retain Bonds of such series in an aggregate amount less than the minimum Authorized Denomination of such series of Bonds.

Selection of Bonds for Redemption. If less than all of the Bonds of any series shall be called for redemption under any provision of the related Bond Indenture permitting such partial redemption, the Bonds of such series or portions thereof to be redeemed will be selected by the Obligated Group Representative, in the principal amount designated to the Bond Trustee by the Obligated Group Representative, which designation shall include the maturity of the particular Bonds to be redeemed, or otherwise as required by the related Bond Indenture; provided, however, that (i) in the case of mandatory sinking fund redemption the Bond Trustee shall determine the Bonds of such series to be redeemed by lot in such manner as the Bond Trustee may determine among the Bonds subject to such redemption, and (ii) in the case of the redemption of less than all Bonds of such series, such redemption shall be by lot in such manner as the Bond Trustee may determine among such Bonds.

Notice of Redemption. A copy of the notice of the call for any redemption identifying the Bonds of the series to be redeemed will be given by first class mail, postage prepaid, not less than 20 or more than 60 days prior to the date fixed for redemption, to the registered owners of Bonds of the series to be redeemed at their addresses as shown on the related Bond Register. Such notice is required to specify the redemption date, the redemption price and the place and manner of payment and that, except as hereinafter provided, from the redemption date interest will cease to

accrue on the Bonds which are the subject of such notice and will include such other information as the Bond Trustee deems appropriate or necessary at the time. With respect to any redemption of the Bonds of any series in accordance with the provisions of the related Bond Indenture summarized under the headings "THE BONDS —Redemptions — Optional Redemption of the Series 2025A Bonds," or "— Optional Redemption of the Series 2025B/C Bonds," "— Extraordinary Optional Redemption of the Bonds" unless, upon the giving of the notice of such redemption, such Bonds shall be deemed to have been paid within the meaning of the provisions of the related Bond Indenture related to satisfaction and discharge of the related Bond Indenture, such notice shall state that the redemption is conditioned upon the deposit by the Corporation with the Bond Trustee of moneys sufficient to pay the redemption price thereof at or prior to the date of redemption and that, if such deposit is not made, the Bonds of such series shall not be redeemed.

Failure to give such notice with respect to any Bond, or any defect in such notice, will not affect the validity of the proceedings for redemption for any Bond with respect to which notice was properly given. Upon the happening of the above conditions and if sufficient moneys are on deposit with the Bond Trustee on the applicable redemption date to redeem the Bonds to be redeemed and to pay interest due thereon and premium, if any, the Bonds thus called will not bear interest after the applicable redemption date, will not be protected by the related Bond Indenture and will not be deemed to be outstanding under the provisions of the related Bond Indenture.

No Partial Redemption After Default. Each of the Bond Indentures provide that if there will have occurred and is continuing an event of default the Bond Indenture relating the Bonds of any series to be redeemed of which an officer of the Bond Trustee has actual knowledge, there will be no redemption of less than all of such Bonds of such series at the time outstanding other than pursuant to any required mandatory sinking fund redemption as described above.

Purchase in Lieu of Redemption. In lieu of redeeming Bonds of any series, the Bond Trustee will, at the written request of the Obligated Group Representative, use funds available for the redemption of Bonds to purchase Bonds in the open market at a price not exceeding the redemption price then applicable under the related Bond Indenture. Any Bonds so purchased in lieu of redemption will be cancelled by the Bond Trustee. In the case of any optional or extraordinary optional redemption or purchase and cancellation of Bonds with serial maturities, the Authority will receive credit against its required Principal Fund deposits with respect to Bonds of the same maturity. In the case of any optional or extraordinary optional redemption or purchase and cancellation of Bonds with a term maturity, the Authority shall receive credit against its required Principal Fund deposits in such order as the Obligated Group Representative shall designate prior to the redemption or purchase and cancellation or, if no such election is made prior to such redemption or purchase and cancellation, in the inverse order thereof, *provided, however,* that following such reduction each such mandatory Principal Fund redemption payment is made in integral multiples of an Authorized Denomination.

SECURITY FOR THE BONDS

Pledge Under the Bond Indentures

The Bonds and all payments to be made by the Authority thereon and into the various funds established under the related Bond Indenture are not general obligations of the Authority, but are special obligations payable solely from (i) payments or prepayments to be made on the related Series 2025A/B/C Obligation, (ii) amounts payable under the related Loan Agreement and pledged under the related Bond Indenture (other than Unassigned Rights), (iii) amounts on deposit in the funds created under the related Bond Indenture (other than the Bond Purchase Fund (which secures only the purchase price of Tendered Bonds) and the Rebate Fund) and (iv) income from the temporary investment of any of the foregoing.

Release and Substitution of Series 2025A/B/C Obligations

Under the circumstances described in the Bond Indentures, the Bond Trustee is required to accept, in replacement of the Series 2025A/B/C Obligations, a note or notes or similar obligation or obligations of an obligated group that could be financially and operationally different from the Obligated Group, and the new obligated group could have substantial debt outstanding that would rank on a parity with the substitute notes. See "SUMMARY OF FINANCING DOCUMENTS — The Bond Indenture — Release and Substitution of Obligations upon Delivery of Replacement Master Indenture" in APPENDIX D.

The Loan Agreements

The Bonds will be secured by and payable from payments made by the Corporation under the related Loan Agreement. The Loan Agreements impose certain restrictions on the Corporation for the benefit of the Authority and the owners of the Bonds. The Loan Agreements provide that the Corporation shall make designated payments directly to the Bond Trustee for deposit to the related Revenue Fund under the related Bond Indenture in aggregate amounts sufficient to pay when due the principal of, premium, if any, and the interest on the Bonds. The Corporation's obligation to make such payments will be satisfied to the extent that payments are made on the related Series 2025A/B/C Obligation, and the Obligated Group will receive credit against its obligations to make payments on the related Series 2025A/B/C Obligation for payments made by the Corporation under the related Loan Agreement. See "SUMMARY OF FINANCING DOCUMENTS — The Loan Agreement" in APPENDIX D.

Liquidity Covenant. The Corporation agrees in each of the Loan Agreements that, as evidenced by the balance sheets included in the unaudited quarterly financial statements and in the annual audited Obligated Group Financial Statements, Unrestricted Cash and Investments will be equal to not less than 75 Days of Operating Expenses as of March 31, 2025 and as of each March 31 and September 30 thereafter. If any such unaudited balance sheet or the balance sheet included in the annual audited Obligated Group Financial Statements demonstrates a failure to maintain Unrestricted Cash and Investments in the required amount, the Authority shall engage a Consultant, at the expense of the Corporation, to review the financial condition of the Members of

the Obligated Group and their Property and make recommendations to increase Unrestricted Cash and Investments to the required amount. A copy of the recommendations shall promptly be delivered to the Authority, the Bond Trustee and the Corporation. If the Consultant is hired and in its written opinion, a copy of which shall promptly be delivered to the Authority, the Bond Trustee and the Corporation, the recommendations are being followed, no event of default under the related Loan Agreement shall be deemed to have occurred.

If the Total Revenues of the Obligated Group are greater than seventy-five percent (75%) of the Total Revenues of the System for any Fiscal Year and System Financial Statements are delivered pursuant to the provisions of the Loan Agreement summarized under the caption "SUMMARY OF FINANCING DOCUMENTS — The Loan Agreement — Books and Records; Annual Audit" in APPENDIX D, the covenant described in the immediately preceding paragraph may be tested against the System's Unrestricted Cash and Investments. If the Total Revenues of the Obligated Group are less than seventy-five percent (75%) of the Total Revenues of the System for any Fiscal Year and System Financial Statements are delivered pursuant to the provisions of the Loan Agreement summarized under the caption "SUMMARY OF FINANCING DOCUMENTS — The Loan Agreement — Books and Records; Annual Audit" in APPENDIX D, the covenant described in the immediately preceding paragraph must be tested against the Unrestricted Cash and Investments of the Obligated Group (and not the System) set forth in the required consolidating and combining schedule to such System Financial Statements.

Master Indenture Covenants. Each of the Loan Agreements also incorporates by reference the covenants of the Master Indenture related to (i) limitations on Liens, (ii) sale, lease or other disposition of property, and (iii) incurrence of Additional Indebtedness. See "SUMMARY OF FINANCING DOCUMENTS — The Loan Agreement — Other Covenants" in APPENDIX D and "FORM OF MASTER INDENTURE" in APPENDIX C.

Amendments to Bond Indentures and Loan Agreements

Certain amendments to the Bond Indentures and the Loan Agreements may be made without the consent of the owners of the outstanding Bonds and (in the case of the Loan Agreements) with the consent of the Bond Trustee. Certain amendments to the related Bond Indenture may be made with the consent of the owners of not less than a majority in aggregate principal amount of the outstanding Bonds of the related series. Each Loan Agreement may be amended with the consent of the Bond Trustee and the owners of not less than a majority in aggregate principal amount of the outstanding Bonds of the related series. See "BONDHOLDERS' RISKS — Certain Amendments to Principal Documents May Adversely Affect Security for the Bonds." Also see "SUMMARY OF FINANCING DOCUMENTS — The Bond Indenture — Supplemental Indentures Not Requiring Consent of Owners of Bonds" and "— Supplemental Indentures Requiring Consent of Owners of Bonds" and "SUMMARY OF FINANCING DOCUMENTS — The Loan Agreement — Amendments, Changes and Modifications" in APPENDIX D.

The Master Indenture

Certain terms and provisions of the Master Indenture are briefly summarized below. See APPENDIX C hereto for the complete form of the Master Indenture.

Series 2025A/B/C Obligations. Concurrently with the issuance of the Bonds, the Corporation, as Obligated Group Representative, and the Master Trustee will enter into the Series 2025A/B/C Supplemental Master Indentures to provide for the issuance of the Series 2025A/B/C Obligations that will secure the Obligated Group's payment obligations with respect to the Bonds.

Second Amended and Restated Master Indenture; Consent of Purchasers of the Bonds. It is expected that upon giving effect to the issuance of the Bonds, the Second Amended and Restated Master Indenture, which amends and restates the Existing Master Indenture, will become effective. **By purchase of the Bonds on their date of issuance, the purchasers and the Beneficial Owners thereof, on behalf of themselves and all subsequent holders of such Bonds, (1) irrevocably consent, and shall be deemed to have irrevocably consented, to (i) the amendment and restatement of the Existing Master Indenture as set forth in the Second Amended and Restated Master Indenture, and (ii) the execution and delivery of the Second Amended and Restated Master Indenture and all provisions contained therein, (2) irrevocably direct, and shall be deemed to have irrevocably directed, the related Bond Trustee, as holder of the related Series 2025A/B/C Obligation, to consent to (i) the amendment and restatement of the Existing Master Indenture as set forth in the Second Amended and Restated Master Indenture and (ii) the execution and delivery of the Second Amended and Restated Master Indenture and all provisions contained therein, and (3) irrevocably waive, and shall be deemed to have irrevocably waived, and direct and shall be deemed to direct the related Bond Trustee, as holder of the related Series 2025A/B/C Obligations to waive, any and all formal notice, implementation, execution or timing requirements that may otherwise be required under the Existing Master Indenture to implement the Second Amended and Restated Master Indenture.**

The effectiveness of the Second Amended and Restated Master Indenture is conditioned upon the obtaining of the Required Consents. The Corporation expects that the Required Consents will be obtained by the date of issuance of the Series 2025 Bonds and that the Second Amended and Restated Master Indenture will be effective on the date of issuance of the Bonds; however no assurance can be given as to timing of receipt of the Required Consents. Once the Required Consents have been obtained, the Second Amended and Restated Master Indenture will take effect in accordance with its terms and the terms of the Existing Master Indenture. No additional consent of the purchasers or Beneficial Owners of the Bonds is required for the Second Amended and Restated Master Indenture to take effect.

The Series 2025A/B/C Obligations will be issued under and secured by the Existing Master Indenture until the Second Amended and Restated Master Indenture takes effect. Upon the effectiveness of the Second Amended and Restated Master Indenture, the Series 2025A/B/C Obligations, together with all other then outstanding Obligations, will be secured by and subject

to the Second Amended and Restated Master Indenture, as the same may be amended and supplemented from time to time (as earlier defined, the "*Master Indenture*").

The Master Indenture as described in this Official Statement is the Second Amended and Restated Master Indenture that becomes effective upon the issuance of the Series 2025 Bonds. See "FORM OF MASTER INDENTURE" in APPENDIX C hereto.

Security for Obligations under the Master Indenture. All of the Obligations issued under the Master Indenture, including the Series 2025A/B/C Obligations, are the joint and several general obligations of each Member of the Obligated Group (subject to the right of each such Member to terminate its status as a Member of the Obligated Group pursuant to the terms and conditions of the Master Indenture). Pursuant to the Master Indenture, the Members of the Obligated Group have granted to the Master Trustee as security for all of the Obligations a security interest in (i) to the extent permitted by law, their respective Pledged Accounts, (ii) all right, title, and interest of the Obligated Group Members in and to all money and investments deposited or required to be deposited with the Master Trustee under the Master Indenture, *but except and excluding* (a) moneys deposited with or paid to the Master Trustee for the redemption of Obligations, notice of the redemption of which has been duly given, and (b) any funds or accounts established or created under the Master Indenture for the exclusive benefit and security of certain Obligations and permitted as "*Permitted Liens*" under the Master Indenture consisting of liens on debt service, project, proceeds, purchase, rebate, debt service reserve, depreciation reserve, or similar funds or accounts with respect to indebtedness or Related Bonds, as more fully described in the Master Indenture, and (iii) any and all property that may, from time to time, by delivery or by writing of any kind, be subjected to the lien and security interest of the Master Indenture by any Obligated Group Member of by anyone on its behalf, subject and subordinate, in the case of the property described in clause (i) and (iii), to Permitted Liens as more fully described in the Master Indenture. Under the Master Indenture, *"Pledged Accounts"* means the Members' rights to receive patient fees (whether paid by the patient or by any other party) and the rights to receive all other receipts, revenues and income of the Members, including, without limitation, revenues derived from the operation of the Members' Property, whether in the form of accounts receivables, contract rights, chattel paper, general intangibles, other rights, profits and income, or other rights and the proceeds of such rights (but excluding the rights to receive any gifts, donations, pledges, grants, legacies, bequests, demises or contributions designated or specified by the donor or maker thereof as being for a specific purpose and thus not available for payment of debt service or other charges on Obligations). See the Granting Clauses in the form of the Master Indenture attached hereto as APPENDIX C.

Summary of Certain Covenants and Debt Service Coverage Ratio Requirement. The Master Indenture imposes certain restrictions on the Members of the Obligated Group, including restrictions on mergers, the transfer or disposition of Property, the creation of liens and security interests other than Permitted Liens, and the incurrence of additional Indebtedness. In particular, under the Master Indenture each Obligated Group Member is required to (and must cause each Designated Affiliate within its control to) establish, charge, and collect rates, fees, and charges so that the Debt Service Coverage Ratio for each Fiscal Year ending on and after September 30, 2025, is not less than 1.10. If in any Fiscal Year the Debt Service Coverage Ratio is less than 1.10, the Obligated Group Representative is required to engage a Consultant to make, and each Member of

the Credit Group must implement, recommended changes permitted under then existing state and federal laws and regulations so that the Debt Service Coverage Ratio for the then current Fiscal Year will be at least 1.10. However, if (i) the Credit Group had at least 150 Days Cash on Hand as of such Fiscal Year end, or (ii) such failure to maintain a Debt Service Coverage Ratio of 1.10 is a direct or indirect result of a Force Majeure Event, then the Obligated Group Representative is not required to retain a Consultant. The failure to maintain the Debt Service Coverage Ratio described above is not a Default or an Event of Default under the Master Indenture if either (a) the Obligated Group Representative engages a Consultant and the Members of the Credit Group comply with their obligations to implement changes recommended by such Consultant, or (b) the Obligated Group Representative is not required to retain a Consultant. Notwithstanding the provisions of the Master Indenture described above, if (i) the Debt Service Coverage Ratio for any two consecutive Fiscal Years (excluding any Fiscal Year ending prior to September 30, 2025) is less than 1.00, and (ii) the Credit Group has less than 150 Days Cash on Hand as of the end of such second consecutive Fiscal Year, it is an Event of Default under the Master Indenture. See Section 3.07 in the form of the Master Indenture attached hereto as APPENDIX C.

Choice of System Financial Statements or Credit Group Financial Statements. The Master Indenture provides that, for any and all purposes of the Master Indenture, including computations or calculations of financial levels and ratios, and the application of any other quantitative financial tests or provisions, the Credit Group may utilize financial and other information either as shown on the most recent Credit Group Financial Statements or the most recent System Financial Statements, unless the context specifically requires otherwise; provided that the financial and other information shown on the most recent System Financial Statements may be used only if the Total Revenues of the Obligated Group as shown on a consolidating schedule contained in such Financial Statements account for 75% or more of the consolidated Total Revenues of the System as shown in such Financial Statements. See Section 1.06 in the form of the Master Indenture attached hereto as APPENDIX C. "Credit Group" is defined in the Master Indenture as, collectively, all Obligated Group Members and all Designated Affiliates.

Designated Affiliates. Under the Master Indenture, the Obligated Group Representative may request any Affiliate that satisfies the conditions set forth in the definition of "*Designated Affiliate*" in the Master Indenture to become a Designated Affiliate. A Designated Affiliate is described under the Master Indenture as a Person that is not an Obligated Group Member and that the Obligated Group Representative or an Obligated Group Member, to the extent permitted by law, either directly or indirectly controls or with whom agreements are effective that are sufficient for an Obligated Group Member to be able to cause such Person to comply with the terms and provisions of the Master Indenture applicable to it. A Designated Affiliate will execute a written agreement to observe and perform the obligations of a Designated Affiliate and comply with the covenants applicable to Designated Affiliates. Such covenants include agreeing to provide payments to its controlling Obligated Group Member to the extent necessary to provide for the payment of principal (and premium, if any) and interest and other debt service charges and payment obligations on all Outstanding Obligations.

Admission to and Withdrawal from the Obligated Group. Under the Master Indenture, upon satisfaction of certain conditions, including the Transaction Test, additional Persons may become Obligated Group Members and current Obligated Group Members may withdraw from

the Obligated Group. See Sections 9.01 and 9.02 in the form of the Master Indenture attached hereto as APPENDIX C.

Amendments to the Master Indenture. Certain amendments to the Master Indenture may be made without the consent of holders of the Obligations. The Master Indenture permits certain other amendments to be made thereto with the consent of the holders of not less than a majority in aggregate principal amount of the Obligations then outstanding. Under the related Bond Indenture, the Bond Trustee will be considered to be the holder of the related Series 2025A/B/C Obligations for all purposes of the Master Indenture, including giving consents to amendments to the Master Indenture, subject to certain consent rights afforded to the Authority in the related Bond Indenture. Purchasers of the Bonds should be aware that the covenants contained in the Master Indenture may in the future be changed, diluted or made less restrictive by future amendments to which they do not consent and to which the Bond Trustee, as the holder of the Series 2025A/B/C Obligation, does not consent. See Article VI in the form of the Master Indenture attached hereto as APPENDIX C. Also see "BONDHOLDERS' RISKS — Certain Amendments to Principal Documents May Adversely Affect Security for the Bonds."

Replacement Master Indenture. The Master Indenture allows for a Replacement Master Indenture to be substituted for the Master Indenture upon delivery to the Master Trustee of:

(i) evidence that the long-term debt ratings assigned by any Rating Agency to the Obligations, to any Indebtedness secured by Obligations, or to the Obligated Group, in each case without regard to any third-party credit enhancement, either (a) will not be lowered or withdrawn for credit related reasons by any Rating Agency, which Rating Agency provides a rating both before and after the substitution, solely as a result of the substitution of such Replacement Master Indenture for the Master Indenture, or (b) will be in the "A" category or higher by at least one Rating Agency without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise taking into account the substitution of such Replacement Master Indenture for the Master Indenture; or

(ii) evidence that such Replacement Master Indenture is entered into in connection with a contemporaneous or prior merger, affiliation, acquisition or joint venture involving all or a part of the Obligated Group, and any entity or health system merged with or into, affiliated with, acquired or joint ventured with has or had a rating at least as high as the Obligated Group's then-current rating immediately prior to the completion of such merger, affiliation, acquisition or joint venture.

Upon the acceptance of a Replacement Master Indenture and the release of the Master Indenture, all Outstanding Obligations under the Master Indenture will be deemed to be a note or obligation issued under and entitled to the security and benefits of the Replacement Master Indenture without the necessity of any amendment, exchange or replacement of such Obligations. The Master Indenture does not require that the Replacement Master Indenture contain covenants similar to the Master Indenture nor require that Obligations be secured by a security interest in Pledged Accounts. See "BONDHOLDERS' RISKS —Members of the Obligated Group May Enter into a Replacement Master Indenture" herein and Sections 7.03 and 7.04 in the form of the Master Indenture attached hereto as APPENDIX C.

Bank Covenants

The Series 2025D Bonds will be secured by an irrevocable transferable direct pay letter of credit (the *"Series 2025D Credit Facility"*) issued by the 2025D Credit Provider. The terms of the Series 2025D Credit Facility will be issued pursuant to the Reimbursement Agreement between the Corporation, as Obligated Group Representative on behalf of itself and each Member of the Obligated Group, and the 2025D Credit Provider (the *"Series 2025D Reimbursement Agreement"*), pursuant to the terms of which the Corporation, as Obligated Group Representative, will agree with the 2025D Credit Provider to comply with all of the provisions of the Master Indenture and to comply with various other covenants in the Series 2025D Reimbursement Agreement (the *"Credit Facility Agreement Covenants"*), which are made solely for the benefit of the 2025D Credit Provider. In addition, the Series 2025E Bonds, will be purchased directly by the Series 2025E Purchaser. Pursuant to the terms of a Continuing Covenant Agreement between the Corporation, as Obligated Group Representative, and the Series 2025E Purchaser (the *"Series 2025E Covenant Agreement"*), the Corporation, as Obligated Group Representative, will agree with the Series 2025E Purchaser to comply with all provisions of the Master Indenture and to comply with various other covenants in the Series 2025E Covenant Agreement (the *"Direct Placement Bank Covenants"* and together with the Credit Facility Agreement Covenants, the "*2025 Bank Covenants*), which are made solely for the benefit of the Series 2025E Purchaser.

In addition to the foregoing, the Corporation, as Obligated Group Representative, on behalf of itself and the other Members of the Obligated Group, has entered into three separate term loan agreements that include (i) a Term Loan Agreement dated as of October 1, 2022 with JPMorgan Chase Bank, National Association, as lender, in the original principal amount of $75,000,000, all of which remains outstanding (the "*2022 JPMorgan Seven Year Taxable Loan Agreement*"), (ii) a Term Loan Agreement dated as of October 1, 2022 with JPMorgan Chase Bank, National Association, as lender, in the original principal amount of $50,000,000, all of which remains outstanding (the "*2022 JPMorgan Ten-Year Taxable Loan Agreement*") and (iii) a Term Loan Agreement dated as of October 1, 2022 with The Huntington National Bank, as lender, in the original principal amount of $50,000,000 (the "*2022 Huntington Taxable Loan Agreement*"). The 2022 Huntington Taxable Loan Agreement, the 2022 JPMorgan Ten-Year Taxable Loan Agreement and the 2022 JPMorgan Seven-Year Taxable Loan Agreement are herein referred to as the "*2022 Taxable Loan Agreements*." Under each of the 2022 Taxable Loan Agreements, the Obligated Group has agreed to comply with the terms of the Master Indenture and to comply with various other covenants (collectively, the "*2022 Taxable Loan Agreements Covenants*"), which are made by the Members of the Obligated Group solely for the benefit of the related lender thereunder.

In certain instances, the 2025 Bank Covenants and the 2022 Taxable Loan Agreements Covenants are more restrictive than the covenants contained in the Master Indenture. The applicable 2025 Bank Covenants may be waived or enforced solely at the direction of the 2025D Credit Provider or the Series 2025E Purchaser, as applicable. The applicable 2022 Taxable Loan Agreements Covenants may be waived or enforced solely at the direction of the lender under each of the related 2022 Taxable Loan Agreements. The obligations of the Members of the Obligated Group under the Series 2025D Reimbursement Agreement, the Series 2025E Covenant Agreement, and each 2022 Taxable Loan Agreement are or will be, as applicable, secured by an

Obligation issued under the Master Indenture. A default under the Series 2025D Reimbursement Agreement, the Series 2025E Covenant Agreement, or a 2022 Taxable Loan Agreement may lead to a default under the Master Indenture and an acceleration of indebtedness secured by the related Obligation, including the Series 2025A/B/C Obligations. See "BONDHOLDERS' RISKS — Certain Agreements with, or Covenants with Respect to, Financial Institutions Could Affect Available Funds" below.

In addition to the foregoing, the Corporation, together, in some cases, with the other Members of the Obligated Group, have entered into a long-term equipment lease with Banc of America Public Capital Corp. (*"BAPCC"*), a line of credit with KeyBank National Association (*"KeyBank"*) in the principal amount not to exceed $60,000,000, and certain other notes payable (collectively, the *"Other Credit Agreements"*), which are not secured by Obligations issued under the Master Indenture. Under the Other Credit Agreements, the Corporation and, in some cases, the other Members of the Obligated Group, have agreed to comply with various covenants, including compliance with debt service coverage ratios and minimum days cash on hand (the *"Other Credit Covenants"*). The Other Credit Covenants may be waived or enforced solely at the discretion of BAPCC, KeyBank or the holders of such notes payable, as applicable. In certain cases, the Other Credit Covenants are more restrictive than the covenants contained in the Master Indenture. Under certain circumstances, a default under an Other Credit Agreement may lead to a default under the Master Indenture. A default under the Master Indenture may result in acceleration of all Obligations under the Master Indenture, including the Series 2025A/B/C Obligations.

See "APPENDIX A — FINANCIAL INFORMATION — CAPITALIZATION AND DEBT SERVICE COVERAGE — Long-Term Indebtedness." See Note 7 to the Audited Financial Statements attached hereto as APPENDIX B. See "BONDHOLDERS' RISKS — Certain Agreements with, or Covenants with Respect to, Financial Institutions Could Affect Available Funds" below.

State of Idaho Not Liable

The Bonds and the interest payable thereon do not constitute a debt or liability, or a pledge or lending of the faith and credit, of the State of Idaho, its legislature or of any of its political subdivisions or agencies other than the Authority to the extent herein described, but are payable solely from the funds pledged therefor in accordance with the related Bond Indenture. The issuance of the Bonds does not, directly, indirectly or contingently, obligate the State of Idaho or any political subdivision thereof to levy or collect any form of taxation or to make any appropriation for the payment thereof, and any such levy or appropriation is prohibited. The Bonds and the interest payable thereon do not now and will never constitute a debt of the State of Idaho within the meaning of the Constitution or the statutes of the State of Idaho and do not now and will never constitute a charge against the credit or taxing power of the State of Idaho or any political subdivision thereof. The State of Idaho is not and will not be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever that may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement will impose any pecuniary liability upon the State of Idaho or any charge upon the general credit or against the taxing power of either. The Authority has no taxing power.

The Act provides that the State of Idaho pledges to, and agrees with, holders of any bonds, notes and other obligations issued under the Act that the State of Idaho will not limit, alter, restrict or impair the rights vested in the Authority by the Act to fulfill the terms of any agreements made with the holders of bonds, notes or other obligations authorized and issued pursuant to the Act or in any way impair the rights or remedies of the holders of such bonds, notes or other obligations until such bonds, notes and other obligations, together with the interest thereon, are fully met and discharged. The Act does not preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such bonds, notes and other obligations.

Neither the members of the Authority nor any person executing the Bonds will be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

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ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each fiscal year of the Obligated Group ending September 30, the amounts required in such period for the payment of principal (at maturity or by mandatory sinking fund redemption) and interest on the Series 2025 Bonds and certain other Long-Term Indebtedness of the Obligated Group that is outstanding as of the date of this Official Statement, except as noted below.

Period Ending September 30	Series 2025A Bonds Principal	Series 2025A Bonds Interest	Series 2025B Bonds Principal	Series 2025B Bonds Interest[1]	Series 2025C Bonds Principal	Series 2025C Bonds Interest[1]	Series 2025D Bonds Principal and Interest[2]	Series 2025E Bonds Principal and Interest[2]	Other Long-Term Indebtedness[2][3]	Total Debt Service[4]
2025	-	$10,889,619	-	$2,556,874	-	$2,526,333	$2,425,629	$1,354,189	$52,245,336	$71,997,980
2026	$1,050,000	19,673,563	-	4,625,500	-	4,570,250	4,404,750	2,459,100	50,175,833	86,958,996
2027	1,210,000	19,617,063	-	4,625,500	-	4,570,250	4,404,750	2,459,100	48,809,966	85,696,629
2028	1,375,000	19,552,438	-	4,625,500	-	4,570,250	4,409,795	2,461,916	98,367,550	135,362,449
2029	1,565,000	19,478,938	-	4,625,500	-	4,570,250	4,399,705	2,456,284	47,669,152	84,764,828
2030	1,755,000	19,395,938	-	4,625,500	-	4,570,250	4,404,750	2,459,100	119,119,826	156,330,363
2031	4,300,000	19,244,563	-	4,625,500	-	4,570,250	4,404,750	2,459,100	42,333,017	81,937,180
2032	2,225,000	19,081,438	-	3,917,799	-	4,570,250	4,409,795	2,461,916	84,812,009	121,478,206
2033	11,925,000	18,727,688	-	3,210,097	-	4,570,250	4,399,705	2,456,284	35,227,155	80,516,178
2034	12,605,000	18,114,438	-	3,210,097	-	4,570,250	4,404,750	2,459,100	35,156,384	80,520,019
2035	17,065,000	17,372,688	-	3,210,097	-	3,985,258	4,404,750	2,459,100	31,441,505	79,938,397
2036	10,075,000	16,694,188	-	3,210,097	-	3,400,266	4,409,795	2,461,916	39,108,347	79,359,608
2037	10,570,000	16,178,063	-	3,210,097	-	3,400,266	4,399,705	2,456,284	39,128,425	79,342,840
2038	11,090,000	15,636,563	-	3,210,097	-	3,400,266	4,404,750	2,459,100	39,153,815	79,354,591
2039	15,175,000	14,979,938	-	3,210,097	-	3,400,266	4,404,750	2,459,100	35,721,534	79,350,685
2040	17,670,000	14,158,813	-	3,210,097	-	3,400,266	4,409,795	2,461,916	34,049,455	79,360,342
2041	18,835,000	13,246,188	-	3,210,097	-	3,400,266	4,399,705	2,456,284	33,798,278	79,345,817
2042	20,055,000	12,273,938	-	3,210,097	-	3,400,266	4,404,750	2,459,100	33,551,187	79,354,338
2043	21,360,000	11,238,563	-	3,210,097	-	3,400,266	4,404,750	2,459,100	33,278,235	79,351,011
2044	22,755,000	10,135,688	-	3,210,097	-	3,400,266	4,409,795	2,461,916	32,985,459	79,358,220
2045	5,985,000	9,417,188	-	3,210,097	-	3,400,266	4,399,705	2,456,284	50,476,744	79,345,283
2046	3,090,000	9,186,450	-	3,210,097	-	3,400,266	4,404,750	2,459,100	53,600,673	79,351,336
2047	3,270,000	9,019,500	-	3,210,097	-	3,400,266	4,404,750	2,459,100	53,589,813	79,353,526
2048	1,220,000	8,901,638	-	3,210,097	-	3,400,266	4,409,795	2,461,916	55,757,216	79,360,928
2049	24,195,000	8,234,494	-	3,210,097	-	3,400,266	4,399,705	2,456,284	33,446,800	79,342,646
2050	25,500,000	6,930,000	-	3,210,097	-	3,400,266	4,404,750	2,459,100	33,448,850	79,353,063
2051	26,820,000	5,610,697	-	3,210,097	-	3,400,266	4,404,750	2,459,100	33,448,425	79,353,335
2052	62,430,000	3,448,944	-	3,210,097	-	3,400,266	4,409,795	2,461,916	-	79,361,018
2053	40,000,000	968,559	$2,500,000	3,166,722	$2,500,000	3,353,766	5,028,413	2,805,020	-	60,322,481
2054	-	-	13,000,000	2,897,797	13,000,000	3,065,466	18,263,043	10,094,318	-	60,320,623
2055	-	-	13,000,000	2,446,697	13,000,000	2,581,866	18,883,467	10,411,256	-	60,323,286
2056	-	-	13,000,000	1,995,597	13,000,000	2,098,266	19,483,534	10,744,166	-	60,321,563
2057	-	-	13,000,000	1,544,497	13,000,000	1,614,666	20,080,021	11,082,264	-	60,321,448
2058	-	-	13,000,000	1,093,397	13,000,000	1,131,066	20,488,329	11,609,380	-	60,322,172
2059	-	-	13,000,000	642,297	13,000,000	647,466	21,078,085	11,956,550	-	60,324,397
2060	-	-	12,010,000	208,374	10,905,000	202,833	23,614,886	13,384,482	-	60,325,574
Total[4]	$395,170,000	$387,407,775	$92,510,000	$112,424,990	$91,405,000	$120,143,758	$268,278,702	$149,840,142	$1,279,900,988	$2,897,081,354

(1) The Series 2025B Bonds and the Series 2025C Bonds, which are subject to mandatory tender prior to maturity, are assumed to bear interest at their initial rates to their related mandatory tender dates and thereafter at their initial yields of 3.47% and 3.72%, respectively.

(2) For purposes of calculating interest on the Series 2025D Bonds, the Series 2025E Bonds, and the Series 2018C Bonds, which bear interest at variable rates, a rate of 3.50% per annum is assumed

(3) Includes $41.5 million of finance leases and $9.5 million of equipment financings with BAPCC outstanding as of September 30, 2024. Excludes currently undrawn line of credit with KeyBank, all debt service on the Series 2014A Bonds, the Series 2018D Bonds, and the 2022A Taxable Term Loan (as defined in APPENDIX A), and $32.7 million of indebtedness as of September 30, 2024, secured by a building in connection with a minority interest joint venture held by the Corporation. The associated building was purchased and debt was paid off by the Corporation during the first quarter of fiscal year 2025. See "FINANCIAL INFORMATION — Capitalization and Debt Service Coverage" in APPENDIX A attached hereto for additional information.

(4) Totals may not foot due to rounding.

BONDHOLDERS' RISKS

Purchase of the Bonds involves certain investment risks. Each prospective purchaser of the Bonds should make an independent evaluation of all the information presented in this Official Statement. The business of the Obligated Group is subject to a number of risks and uncertainties, many of which are beyond its control. Such risks may cause actual operating results or financial performance to be materially different from expectations, thereby affecting payments to be made with respect to the Bonds. The following briefly describes certain risks that could affect payments with respect to the Bonds. ***This discussion of risk factors is not, and is not intended to be, exhaustive. Prospective purchasers of the Bonds should analyze carefully the information contained in the entirety of this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which are available as described in this Official Statement.***

Realization of Revenues Sufficient to Pay Debt Service Is Not Guaranteed

The Bonds do not constitute a debt, liability or obligation of the Authority, the State, or any political subdivision thereof, and are not payable in any manner from taxation. The Bonds are special limited obligations of the Authority, payable solely from amounts received by the Authority pursuant to the related Loan Agreement and amounts paid by the Obligated Group pursuant to the Master Indenture. As discussed below, the ability of the Obligated Group to realize revenues sufficient to pay debt service on the Bonds is not guaranteed and subject to many factors. None of the provisions of the Loan Agreements or the Master Indenture provide any assurance that the obligations of the Members of the Obligated Group will be paid as and when due if Members of the Obligated Group become unable to pay their debts as they come due or Members of the Obligated Group otherwise become insolvent. See "SECURITY FOR THE BONDS" above for more information.

The Obligated Group's ability to realize revenues sufficient to pay outstanding obligations, including debt service when due on the Bonds, is affected by and subject to many conditions that may change in the future to an extent and with effects that cannot be determined. The Obligated Group's receipt of future revenues is subject to, among other factors: (1) federal and state laws and regulations, particularly those targeting the health care industry, (2) the policies of third party payors, including governmental payors (*e.g.,* Medicare and Medicaid) and commercial payors, (3) relationships with third party payors, including the Obligated Group's ability to maintain favorable third party payor contracts, (4) future economic conditions, (5) the duration and scope of a pandemic and governmental, business, and public responses to such pandemic, (6) health care reform efforts, including any laws that significantly alter the health care delivery system or insurance markets, (7) increased competition from other health care providers, and (8) the capability of management of the Obligated Group ("*Management*"). There is no assurance that the Obligated Group's future revenues will be sufficient to pay debt service on the Bonds when due.

Future Legislation Could Adversely Affect The Obligated Group's Operation, Financial Condition or Tax-Exempt Status

Legislation is periodically introduced in the U.S. Congress and in the State legislature that could adversely affect the operations or financial condition of the Obligated Group. In addition to legislative proposals specifically discussed herein, examples of legislative proposals that could have an adverse effect on the Members of the Obligated Group if they were to become law include: (1) laws limiting or restricting the use of hospital revenues, reimbursements, costs or charges, (2) laws requiring an increase in the quantity of indigent care required to maintain federal or state tax-exempt status, (3) any changes in the taxation of nonprofit corporations or in the scope of their exemption from income or property taxes, (4) limitations on the amount or availability of tax-exempt financing for corporations described in Section 501(c)(3) of the Code, (5) limitations on the Obligated Group's ability to undertake capital projects or develop new services, (6) elimination of the exclusion of interest on tax-exempt bonds from gross income for all or some taxpayers, or (7) laws subjecting all or a portion of a Member's income to federal or state income taxes or other tax penalties. The scope and effect of future legislation cannot be predicted, but may adversely affect the Obligated Group's operation, financial condition or tax-exempt status.

Tax Treatment of the Bonds Could Be Adversely Affected by Failure to Comply with Legal Requirements or Future Legislation

As described hereinafter under the caption "TAX MATTERS" failure to comply with certain continuing legal requirements may cause interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance of the Bonds. The Bond Indentures do not provide for the payment of any additional interest or penalty in the event of the taxability of interest on the Bonds.

Although the Internal Revenue Service (the *"IRS"*) has only infrequently taxed the interest received by holders of bonds that were represented to be tax-exempt, the IRS has examined a number of bond issues and concluded that such bond issues did not comply with applicable provisions of the Code and related regulations. The IRS has typically entered into closing agreements with issuers and beneficiaries of such bond issues under which potentially substantial payments have been made to the IRS to settle the issue of whether the interest on such bond issues could be treated as tax-exempt. No assurance can be given that the IRS will not examine a Bondholder, the Obligated Group, or the Bonds or any other tax exempt bond issued for the benefit of the Obligated Group. If any such examination were to occur, it could have an adverse impact on the marketability and price of the Bonds and could lead to claims by the IRS for payment of substantial amounts by the Obligated Group to resolve any issue.

Legislative proposals to eliminate or limit the benefit of tax exempt interest on bonds such as the Bonds have been made in the past, may currently be under consideration, and may be made again in the future. If adopted, any such proposal could alter the federal and/or state tax treatment described under the heading "TAX MATTERS" or could adversely affect the market value or marketability of the Bonds and the financial condition of the Obligated Group. In addition, the adoption of any such legislation could increase the cost to the Obligated Group of financing future capital needs or limit its ability to refund or restructure its tax exempt debt.

Pandemic or Public Health Emergency Could Adversely Impact Operations and Financial Condition

General. The occurrence of a public health emergency, including a pandemic similar to the COVID-19 pandemic, and governmental and public responses to such emergency, may directly or indirectly affect the operations and financial condition of health care providers in a multitude of ways. For example, a public health emergency could result in an abnormally low or high demand for health care services, cause a decreased demand for elective procedures, require that resources be diverted from one part of operations to another part, disrupt the supply chain for necessary medical equipment and supplies, cause a clinical or non-clinical staffing shortage, or otherwise impair the operation of part or all of a health care provider's facilities. There can be no assurance that a future pandemic or other public health emergency will not result in material adverse consequences to the operations or financial condition of the Obligated Group. The extent to which government stimulus and support or business interruption insurance would be available in connection with a pandemic or other public health emergency is fact-dependent and there can be no assurance that any available government support or insurance coverage would be sufficient to cover losses.

COVID-19 Pandemic. The COVID-19 pandemic had significant negative effects on the economy generally as well as direct health care related consequences. The COVID-19 pandemic resulted in volatility in equity markets and the public markets for the issuance and trading of all securities. The COVID-19 pandemic caused business failures and cutbacks attributable to changes in market behavior, the complete effects of which are still unclear. National, state, and local governmental actions taken during the pandemic, including the passage of laws and regulations, caused substantial changes to the way health care is provided and how society in general functions and may have long-term consequences for the way health care services are provided generally. The COVID-19 pandemic materially and adversely affected the Obligated Group's operations and finances, and some negative effects may continue.

The federal Provider Relief Fund (*"Provider Relief Fund"*) made payments to eligible providers who diagnosed, tested, or cared for individuals with possible or actual cases of COVID-19 and had health care-related expenses and lost revenues attributable to COVID-19. Providers received automatic payments and/or applied for payments. Payments in excess of health care-related expenses or lost revenues attributable to COVID-19 were required to be repaid. The U.S. Department of Health and Human Services (*"DHHS"*) is actively auditing recipients of Provider Relief Fund funds to ensure compliance with the terms and conditions thereof. Failure to comply with such terms and conditions could result in recoupment, False Claims Act liability, or other penalty.

An Economic Downturn or Other Unfavorable Economic Conditions Could Negatively Impact the Obligated Group's Financial Condition

The United States economy is unpredictable. Economic downturns and other unfavorable economic conditions have previously impacted the health care industry and health care providers' business and financial condition. If general economic conditions worsen, the Obligated Group may not be able to sustain future profitability and its liquidity and ability to repay outstanding debt,

including debt service on the Bonds, may be adversely affected. Broad economic factors—such as inflation, unemployment rates or instabilities in consumer demand and consumer spending—could affect the Obligated Group's volumes and its ability to collect outstanding receivables. Other economic conditions that from time to time may adversely affect Obligated Group revenues and expenses, and consequently, its ability to make payments on the Series 2025A/B/C Obligations, include but are not limited to: (1) an inability to access financial markets on acceptable terms at a desired time, (2) significant investment portfolio losses, (3) increased business failures and consumer and business bankruptcies, (4) federal and state budget challenges resulting in reduced or delayed Medicare and Medicaid reimbursement, (5) a reduction in the demand for health care services or patient decisions to postpone or cancel elective and non-emergency health care procedures, (6) increased malpractice, casualty and other insurance expenses, (7) reduced availability or affordability of health insurance, (8) a shortage of physician, nursing, or other professional personnel, (9) a shortage of medical supplies and critical care unit beds caused by a public health emergency, (10) increased operating costs, (11) a reduction in the receipt of grants and charitable contributions, (12) unfavorable demographic developments in the Obligated Group's service areas, (13) unavailability of liquidity during periods of economic stress caused by delayed reimbursement or payment, or increased costs of liquidity facilities, or (14) increased competition from other health care institutions.

The United States has experienced recent high levels of inflation and supply chain issues that had an impact on the cost of goods and services needed by the Obligated Group to operate its facilities. Such issues may increase costs and otherwise adversely impact operations.

Health Care Reform Laws or Challenges to the Affordable Care Act Could Negatively Impact the Obligated Group's Financial Condition

General. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (the *"Affordable Care Act"* or *"ACA"*), has significantly changed, and continues to change, how health care services are covered, delivered, and financed in the United States. The primary goal of the ACA – extending health coverage to millions of uninsured legal U.S. residents – has taken place through a combination of private sector health insurance reforms and Medicaid program expansion (discussed below). To fund Medicaid expansion, the ACA includes a broad array of reimbursement reforms, quality improvement programs, cost efficiency incentives, and enhanced fraud and abuse enforcement measures, each designed to generate savings within the Medicare and Medicaid programs. Additionally, the ACA created health insurance exchanges—competitive markets for individuals and small employers to purchase health insurance—and financial programs designed to encourage insurance companies to offer plans on the health insurance exchanges.

Due to the controversial nature of health care reform generally, implementation of the ACA has been, and remains, politically controversial. Since its enactment, the ACA has faced a stream of opposition from Republican lawmakers calling for its repeal and/or replacement, along with a string of lawsuits challenging various aspects of the law. The ACA has survived several major Supreme Court challenges and no bills wholly repealing the ACA have passed both chambers of Congress. Accordingly, the majority of the ACA remains law. However, a tax reform bill passed in late 2017 (the *"Tax Cuts and Jobs Act of 2017"*) effectively eliminated a key provision of the

ACA – a tax penalty associated with failing to maintain health coverage (the "*Individual Mandate Tax Penalty*") by reducing the penalty to zero dollars effective 2019. New legal or legislative challenges to the ACA may occur in the future.

In addition to actual and possible legislative changes or legal challenges, executive branch actions and policies could impact the viability of the ACA. For example, executive branch action has the potential to significantly impact the ACA insurance exchange market by causing a reduction in the number of healthy individuals in the ACA health insurance exchanges, a reduction in the number of plans available on the health insurance exchanges, and/or an increase in insurance premiums. President Biden took executive actions that strengthened and built on the ACA and reversed certain policies of the prior Trump administration that were seen as undermining the ACA. Following the inauguration of President Trump in January 2025, executive and other administrative or legislative actions to undermine the ACA are likely to increase again.

Management cannot predict the likelihood of any future ACA repeal bills or other health care reform bills becoming law, or the subsequent effects of any such legislative actions, legal decisions, or current or future executive actions, though such effects could materially impact the Obligated Group's business or financial condition. In particular, any legal, legislative or executive action that (1) reduces federal health care program spending, (2) increases the number of individuals without health insurance, (3) reduces the number of people seeking health care, or (4) otherwise significantly alters the health care delivery system or insurance markets could have a material adverse effect on the Obligated Group's business or financial condition.

Certain key provisions of the law are briefly described below:

Private Health Insurance Coverage Expansion/Insurance Market Reforms. As originally drafted, the ACA's Individual Mandate Tax Penalty (discussed above) required most Americans to maintain "minimum essential" health insurance coverage or pay a yearly tax penalty to the federal government. Non-exempt uninsured individuals were expected to satisfy the mandate by purchasing insurance from a private company or through a "health insurance exchange." ACA health insurance exchanges are government-established organizations that provide competitive markets for buying health insurance by offering individuals and small employers a choice of different health plans, certifying plans that participate, and providing information to help consumers better understand their options. Although the Tax Cuts and Jobs Act of 2017 effectively eliminated the Individual Mandate Tax Penalty by reducing the penalty to zero dollars effective 2019, individuals may still purchase insurance on the exchanges. Health insurance exchanges may have a negative financial impact on health care providers to the extent (1) insurance plans purchased on the exchanges reimburse providers at lower rates or (2) high-deductible plans offered on the exchanges become more prevalent and lead to lower inpatient volumes as patients choose to forgo medical treatment.

The ACA also includes an "employer mandate" that imposes penalties on employers having 50 or more employees that do not offer qualifying health insurance coverage to those working 30 or more hours per week. The ACA also established a number of other health insurance market reforms, including bans on lifetime limits and pre-existing

condition exclusions, new benefit mandates, and increased dependent coverage (until the age of 26). Management cannot predict the future of the health insurance markets or the effects of current and future health reform efforts on such markets, though such effects may materially affect the Obligated Group's business or financial condition.

Federally Funded Medicaid Expansion. The ACA permits states to expand Medicaid program eligibility to virtually all individuals under 65-years old with incomes up to 138% of the federal poverty level, and provides enhanced federal funding to states that opt to expand. For states that choose not to participate in the federally funded Medicaid expansion, the net positive effect of ACA reforms has been significantly reduced. Idaho expanded its Medicaid program pursuant to a ballot initiative, effective January 2020. Since then, attempts to repeal the expansion have failed in the Idaho legislature; however, Management cannot predict whether the Idaho legislature may curtail Medicaid in the future.

Spending Reductions. The ACA contains a number of provisions designed to significantly reduce Medicare and Medicaid program spending, including: (1) negative adjustments to the "market basket" updates for Medicare's inpatient, outpatient, long-term acute and inpatient rehabilitation prospective payment systems, and (2) reductions to Medicare and Medicaid disproportionate share hospital (*"DSH"*) payments. Any reductions to reimbursement under the Medicare and Medicaid programs could adversely affect the Obligated Group's business or financial condition to the extent such reductions are not offset by increased revenues from providing care to previously uninsured individuals.

Quality Improvement and Clinical Integration Initiatives. The ACA mandated the creation of a number of payment reform measures designed to incentivize or penalize hospitals based on quality, efficiency and clinical integration measures and authorizes the Center for Medicare & Medicaid Innovation within CMS to develop and test new payment methodologies designed to improve quality of care and lower costs. Other ACA provisions encourage the creation of new health care delivery programs, such as the Medicare Shared Savings Program – a program offering providers the opportunity to create accountable care organizations (*"ACOs"*) that can share in the cost savings they achieve for the Medicare program if certain quality metrics are met. The outcomes of these projects and programs, including their effect on payments to providers and financial performance, cannot be predicted. See also "Industry Trend Towards Alternative Payment Models and Clinically Integrated Delivery Systems Carries Regulatory Risks and May Negatively Affect Revenues" below.

Fraud and Abuse Enforcement Enhancements. In an attempt to reduce unnecessary health care spending, the ACA includes a number of provisions aimed at combating fraud and abuse within the Medicare and Medicaid programs. Such provisions provide increased federal funding to fight health care fraud and abuse, provide government agencies with additional enforcement tools and investigation flexibility, facilitate cooperation between agencies by establishing mechanisms for information sharing, and enhance criminal and administrative penalties for non-compliance with the federal fraud and abuse laws (*e.g.*,

the Anti-Kickback Statute, the Stark Law and the False Claims Act, each as defined and discussed below).

Obligated Group is Dependent upon Third Party Payor Reimbursement and Could be Adversely Affected by Reimbursement Reductions, Delays, or Failure to Negotiate Favorable Contracts

Medicare and Medicaid Reimbursement. Generally, the Medicare program ("*Medicare*") is the federally-funded government health insurance program for individuals over 65 regardless of income and individuals with permanent disabilities or with end-stage renal disease. The Medicaid program ("*Medicaid*") is the joint federal and state health insurance program that, together with the Children's Health Insurance Program ("*CHIP*"), provides health coverage to certain low-income individuals and children and individuals with disabilities. The Obligated Group is highly dependent on the receipt of reimbursement from the Medicare and Medicaid programs and could be adversely affected by changes to federal or state policy or funding relating to these programs. For fiscal years ended September 30, 2024 and 2023, respectively, approximately 44% of the Obligated Group's gross patient service revenues in each year were derived from the Medicare program, and approximately 15% and 16% were derived from the Medicaid program. See "HEALTH SYSTEM SERVICE AREA, COMPETITION AND UTILIZATION—Payor Mix" in APPENDIX A.

Government health care programs may make payments to the Obligated Group in amounts that do not reflect the direct and indirect costs to the Obligated Group in providing services to patients. Health care providers have been and continue to be affected significantly by changes made in the last several years to federal and state health care laws and regulations, particularly those pertaining to Medicare and Medicaid. The purpose of much of this statutory and regulatory activity has been to reduce the rate of increase in health care costs, particularly costs paid under the Medicare and Medicaid programs. In addition to ongoing and future payment reform measures resulting from the ACA and other health care reform efforts, the Medicare and Medicaid programs are subject to: (1) other statutory and regulatory changes, administrative rulings, interpretations and determinations concerning patient eligibility requirements, funding levels, and the method of calculating payments or reimbursement rates, (2) requirements for utilization review, and (3) federal and state funding restrictions and challenges. Any of these factors could materially decrease payments from these government programs in the future, as well as affect the cost of providing services to patients and the timing of reimbursement. Any resulting material adverse effect to the Obligated Group's business or financial condition could be exacerbated if Management is not able to effectively manage operating costs.

Children's Health Insurance Program. CHIP is a joint federal and state program that provides health coverage to uninsured children in families with incomes too high to qualify for Medicaid, but too low to afford private coverage. CMS administers CHIP, but each state creates its own program based upon minimum federal guidelines. Each state must periodically submit its CHIP plan to CMS for review to determine if it meets federal requirements. If a state does not meet the federal requirements it can lose its federal funding for the program. From time to time the federal government may seek to expand or contract the CHIP program. Federal legislation has extended CHIP funding and authorization through federal fiscal year 2027. When any CHIP

funding or authorization expires there can be no assurance that such funding or authorization will be reestablished at either a state or federal level, or that professional facility reimbursement rates will not subsequently be amended in an effort to manage costs. If CHIP is not extended or if it is extended with reduced funding, the financial condition and financial performance of children's health care providers could be materially affected.

Federal and State Budget Challenges. The effect of future government health care funding or federal or state deficit policy changes on the Obligated Group's business or financial condition is unpredictable. If reimbursement rates paid by governmental payors are reduced or if the scope of services covered by governmental payors is limited, there could be a material adverse effect on the Obligated Group's business or financial condition.

Medicare Sequestration. Past federal legislation and policies aimed at federal deficit reduction have resulted in across-the-board federal program spending reductions, including a yearly 2% reduction in Medicare reimbursement rates (known as *"Medicare sequestration"*) required by the Budget Control Act of 2011. Another federal statutory sequester, the *"Pay-As-You-Go"* or *"PAYGO"* sequester, may be triggered in future years. Further, with no long-term resolution in place for federal deficit reduction, Medicare and Medicaid reimbursement may continue to be targets for interim and long-term federal reduction efforts. It is possible that Congress could act to extend or increase Medicare and Medicaid spending reductions in the future and such actions could have a material adverse effect on the Obligated Group's business or financial condition.

Federal Debt Limit. The federal government is subject to a debt "ceiling" established by Congress. In the past several years political disputes concerning authorization of a federal debt ceiling increase have led to shutdowns of substantial portions of the federal government and other federal budget authorization delays have occurred. Federal budget delays and federal government shutdowns are unpredictable and may occur in the future. Any failure by Congress to increase the federal debt ceiling may impact the federal government's ability to incur additional debt, pay its existing debt instruments and to satisfy its obligations relating to the Medicare and Medicaid programs. Management is unable to predict what impact any future failure to increase the debt limit may have on the operations and financial condition of the Obligated Group, although such impact may be material. Additionally, the market price and marketability of the Obligated Group's outstanding bonds in the secondary market may be materially adversely impacted by any failure to increase the federal debt limit.

State Budgets. Many states face budgetary challenges that have resulted, and likely will continue to result, in reduced Medicaid funding levels to hospitals and other health care providers. Because most states are required to operate with balanced budgets, and the Medicaid program is generally a significant portion of a state's budget, states can be expected to adopt or consider adopting future legislation designed to reduce or freeze Medicaid expenditures. In addition, some states delay issuing Medicaid payments to providers to manage state expenditures. Continuing pressure on state budgets, state budget authorization delays, and other factors could result in future reductions to Medicaid payments, payment delays or additional taxes on hospitals. In addition, legislative proposals to cap the federal share of Medicaid expenditures or "block grant" the Medicaid program would further shift rising cost risk to the states, exacerbating state budget

challenges, and potentially resulting in decreased payments to providers or a reduction in the services covered by Medicaid. Each of these situations may have a material adverse effect on a provider's business or financial condition.

Conditions of Participation. CMS develops certain health and safety standards known as Conditions of Participation and Conditions for Coverage (collectively, "*Conditions of Participation"*) that health care facilities must meet in order to begin and continue participating in the Medicare and Medicaid programs. CMS is responsible for ensuring that health care facilities meet these regulatory Conditions of Participation. In certain cases, facilities accredited by CMS-approved accrediting organizations, such as The Joint Commission, are deemed to meet the Conditions of Participation. Failure to maintain accreditation or to otherwise comply with the Conditions of Participation could materially adversely affect the financial condition of the Obligated Group.

Site-Neutral Reimbursement. Medicare services performed at off-campus hospital outpatient departments (*"HOPDs"*) have traditionally been reimbursed under the Medicare Hospital Outpatient Prospective Payment System (*"OPPS"*), while services performed in freestanding clinics (*e.g.*, free standing ambulatory surgery centers or physician offices) have been reimbursed at the lower Medicare Physician Fee Schedule rate. The Bipartisan Budget Act of 2015 created "site neutral" reimbursement for services to Medicare beneficiaries at certain off-campus provider locations beginning January 1, 2017. Services subject to the change are not reimbursed under Medicare's hospital OPPS, but rather are reimbursed under alternative payment systems generally commensurate with Medicare Physician Fee Schedule rates. The exclusion applies to off-campus hospital departments that did not bill for services under the OPPS prior to November 2, 2015. Effective for calendar year 2020 and after, off-campus provider-based hospital departments are paid for assessment and management clinic visit services at 40% of the OPPS rate regardless of whether those departments have been excepted from the payment limitations described above.

Medicare and Medicaid Audits. Providers that participate in the federal health care programs, such as Medicare and Medicaid, are subject from time to time to audits and other investigations relating to various aspects of their operations and billing practices, as well as to retroactive audit adjustments with respect to reimbursements claimed under these programs. Medicare and Medicaid regulations also provide for withholding reimbursement payments in certain circumstances. New billing rules and reporting requirements for which there is no clear guidance from federal or state agencies could result in claims submissions being considered inaccurate. The penalties for violations may include an obligation to refund money to the Medicare or Medicaid program, payment of criminal or civil fines and, for serious or repeated violations, exclusion from participation in federal health programs.

Critical Access Hospital Status. The Obligated Group operates CAH hospitals, including St. Luke's Wood River Medical Center, St. Luke's McCall Medical Center, St. Luke's Elmore Medical Center and St. Luke's Jerome Medical Center. CMS reimburses most hospitals for providing Medicare services through "prospective payment systems" with predetermined rates for various diagnosis groups. Hospitals that received a CAH designation, however, receive higher "cost-based" reimbursement rates for many Medicare services. CAH cost-based Medicare

reimbursement has come under scrutiny as part of on-going deficit reduction discussions. There can be no assurance that CAH reimbursement will continue at current levels. To the extent future circumstances, legislation, or regulatory action impacts the CAH designation, or decreases or eliminates CAH cost reimbursement, such changes may have a negative financial impact on the Obligated Group. Although Management is not aware of any challenges to its CAH designations, there can be no assurance that such CAH designations will not be challenged in the future.

Disproportionate Share Hospital Payments. Medicare and Medicaid provide additional payments to hospitals that serve a disproportionate share of certain low-income and uninsured individuals. The Obligated Group has qualified for disproportionate share hospital (*"DSH"*) payments in the past, but there can be no assurance that it will qualify for DSH status in the future. Commencing in federal fiscal year 2025 and continuing through 2027, DSH payments are scheduled to be reduced by $8 billion annually. There can be no assurance that payments to DSH hospitals will not be further decreased or eliminated. Loss or reduction of funding for the DSH program could adversely affect the Obligated Group.

Medical Education Payments. Medicare currently pays for a portion of the costs of medical education at hospitals that have teaching programs. These payments are vulnerable to reduction or elimination. The direct and indirect medical education reimbursement programs have repeatedly emerged as targets in the legislative efforts to reduce the federal budget deficit. There can be no assurance that medical education payments will remain at current levels or that amounts received will be sufficient to cover costs associated with medical education programs.

340B Drug Pricing Program. Entities that participate in the prescription drug discount program established under Section 340B of the federal Public Health Service Act (the *"340B Program"*) are able to purchase certain outpatient drugs for patients at a reduced cost. Eligibility for the 340B Program is determined on an annual basis and, therefore, can be unpredictable. The rules and regulations applicable to participation in the 340B Program are technical, complex, and numerous. Failure to comply with the 340B Program requirements or rules could result in exclusion from the 340B Program, thus significantly increasing costs for drugs and creating a repayment obligation, which in either case could have a material adverse effect on the operations or financial condition of the Obligated Group. In addition, Congressional and administrative efforts may be made seeking to tighten 340B Program eligibility requirements, eliminate or reduce the scope of the program, or reduce related payments. Future legal, legislative, or administrative actions result in a loss of 340B eligibility decreases in 340B Program drug discounts, a narrowing of drug manufacturer obligations, or a termination of the program, could have a material adverse effect on the Obligated Group.

For a period from 2018 through 2022, CMS imposed significant Medicare Part B reimbursement reductions for separately payable, non-pass-through drugs provided in hospital outpatient settings purchased through the 340B Program. The American Hospital Association and others filed a lawsuit challenging these reimbursement reductions. In *American Hospital Association et. al v. Becerra*, the U.S. Supreme Court held that CMS had unlawfully reduced the reimbursement rates for hospitals participating in the 340B Program. On November 2, 2023, in light of the U.S. Supreme Court decision and remand to the agency, CMS issued a final rule in which it authorized one-time lump sum remedy payments to the affected 340B hospitals and made

other reimbursement policy adjustments. To meet the statutory requirement for budget neutrality, CMS indicated that it would reduce future non-drug item and service payments by adjusting the OPPS conversion factor by a negative 0.5 percent beginning in 2026 until the budget neutrality offset is complete, which CMS estimates will take 16 years.

Idaho Medicaid. The Idaho Department of Health & Welfare (*"IDHW"*) administers Idaho Medicaid and other related programs. From time to time, IDHW or the Idaho legislature may change policies relating to Medicaid eligibility, services, and reimbursement. Any reductions in eligibility, covered services, or reimbursement rates could have a material adverse effect on the operations or financial condition of the Obligated Group. Examples of state health care reimbursement policies and programs that may affect Medicaid reimbursement are described below:

State Medicaid Managed Care Programs. Certain states, including Idaho, have transitioned all or a portion of their state Medicaid programs to Medicaid managed care programs. Medicaid managed care provides for the delivery of Medicaid health benefits and additional services through contracted arrangements between state Medicaid agencies and managed care organizations that accept a set per member per month (capitation payment) payment for these services. Providers serving Medicaid managed care beneficiaries may be reimbursed at a rate which does not adequately reflect the cost of care provided and may experience increased administrative burdens.

State Medicaid Waivers; Supplemental and Directed Payments. Idaho has previously entered into, and may in the future enter into, one or more *"State Medicaid Waivers"* with the federal government. A State Medicaid Waiver is a request that the federal government waive certain Medicaid program requirements so that the state can test new ways to deliver or pay for care in its Medicaid program. Hospitals may receive a material amount of supplemental payments or enhanced reimbursement through State Medicaid Waiver programs. Management cannot predict whether Idaho will apply for any new State Medicaid Waivers in the future, whether its existing State Medicaid Waivers will be rescinded or allowed to expire, or whether any such event will materially adversely affect the business or financial condition of the Obligated Group. Any loss or reduction of supplemental or enhanced funding received through a State Medicaid Waiver program could materially adversely affect the Obligated Group.

State Provider Fee Programs. Certain states, including Idaho, have created programs that impose a fee or tax on health care providers, the proceeds of which are intended to be used as a mechanism to generate new in-state funds that can be matched with federal funds so that the state receives additional federal Medicaid funding. In many cases, the cost of the tax is paid back to providers through an increase in the Medicaid reimbursement rate for their patient services. Congress has considered proposals to limit the use of provider taxes. This would restrict states' ability to generate increased federal matching funds for Medicaid, shifting additional costs to states. If Idaho were not able to find additional funds to replace provider tax funding with other state sources, limits on provider taxes could result in Idaho Medicaid program cuts. The Obligated Group has received a net gain overall from Idaho provider fee programs. If a provider fee program or other supplemental reimbursement mechanism or program is discontinued, or continued but

with reduced funding, the financial condition and financial performance of health care providers receiving a net gain from such programs could be materially affected.

Managed Care Plans and Other Commercial Payors. The Obligated Group also derives a large percentage of its revenue from commercial third-party payors. For each of the fiscal years ended September 30, 2024 and 2023, approximately 35% of the Obligated Group's gross patient service revenues were derived from commercial insurers, including HMOs, PPOs, and other managed care plans. See "HEALTH SYSTEM SERVICE AREA, COMPETITION AND UTILIZATION—Payor Mix" in APPENDIX A. Accordingly, the Obligated Group's ability to negotiate and renew contracts on competitive terms with commercial insurers significantly affects the Obligated Group's revenues and operating results. The Obligated Group's business or financial condition could be adversely affected if (1) it is unable to enter into and maintain commercial insurance contracts, including managed care contracts, on acceptable terms, (2) if it experiences material reductions in the contracted rates from commercial insurers or (3) if it has difficulty collecting from commercial payors. Additionally, commercial third-party payors are increasingly attempting to control health care costs through increased utilization reviews, greater enrollment in managed care programs, such as HMOs and PPOs, and directly contracting with hospitals to provide services on a discounted basis. The trend toward consolidation among private managed care payors tends to increase their bargaining power over prices and fee structures. Other health care providers, including some with greater financial resources, greater geographic coverage or a wider range of services, may compete with the Obligated Group for opportunities with commercial insurers. For example, competitors may negotiate exclusivity provisions with certain managed care plans or otherwise restrict the ability of managed care companies to contract with Obligated Group providers. There can be no assurance that the Obligated Group will be able to continue to attract commercial third-party payors, or that it will be able to contract with such payors on advantageous terms.

Loss of Accreditation, Licensure or Other State Approvals may Negatively Affect Operations or Financial Condition

The Obligated Group's medical facilities are subject to periodic review by licensing and/or accrediting organizations to determine compliance with various legal, regulatory, professional and private licensing, certification, accreditation standards or requirements. These standards or requirements include but are not limited to the requirements of state licensing agencies, CMS, CMS-approved accrediting organizations (*e.g.,* The Joint Commission), and private payors. 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 Members of the Obligated Group. Loss of accreditation or licensure could impair the ability of the Obligated Group to operate all or a portion of its health care facilities and have a material adverse impact on the Obligated Group's business or financial condition. Management does not currently anticipate difficulty renewing or continuing currently held licenses, certifications or accreditations. See "OTHER INFORMATION—Accreditation, Licenses, Memberships and Approvals" in APPENDIX A.

Many states have certificate of need ("*CON*") laws, which laws, among other things, may require that a health care facility obtain state approval before constructing a health care facility,

expanding a health care facility, or changing a health care facility's bed capacity. The general intent of a state CON law is to restrain health care facility costs and allow coordinated planning of new services and construction. Failure to obtain necessary state CON approval can result in the inability to expand facilities, add services, acquire a facility or change ownership. Violation of such laws may result in the imposition of civil sanctions or the revocation of a facility's license. Management cannot predict whether the Idaho legislature will adopt any CON laws in the future.

Failure to Comply with Complex and Evolving Health Care Regulations Could Result in Substantial Liabilities or Penalties

General. Health care businesses are subject to complex and extensive federal, state and local regulation relating to, among other things, licensure, contractual arrangements, conduct of operations, privacy of patient information, ownership of facilities, physician relationships, addition of facilities and services and reimbursement rates for services. Under these laws, individuals and organizations can be penalized for a wide variety of conduct, including submitting claims for services that are not provided, that are billed in a manner other than as actually provided, that are not medically necessary, that are provided by an improper person or accompanied by an illegal inducement to utilize or refrain from utilizing a service or product, or that are billed in a manner that does not otherwise comply with applicable legal requirements. The laws governing fraud and abuse apply to all individuals and health care enterprises with which a health system does business, including other hospitals, home health agencies, long term care entities, infusion and pharmaceutical providers, insurers, health maintenance organizations, preferred provider organizations, third party administrators, physicians, physician groups, and physician practice management companies. The laws, rules and regulations are often evolving and, in many cases, the industry has little or no regulatory or judicial interpretation for guidance. Additionally, both federal and state government agencies continue to pursue heightened and coordinated civil and criminal enforcement efforts against perceived violations of health care laws. In the current regulatory climate, it is anticipated that many hospitals and physician groups may be subject to an audit, investigation or other enforcement action regarding a potential health care fraud laws violation.

As discussed in more detail below, violations may result in the imposition of severe consequences, including exclusion of the provider from participation in the Medicare and Medicaid programs, criminal fines, civil monetary penalties, payment suspension pending fraud allegations and, in the case of individuals, imprisonment. The cost of defending such an action, the time and management attention consumed, and the facts of a case may dictate settlement. Regardless of the merits of a particular case, a health care provider could experience materially adverse settlement costs, as well as materially adverse costs associated with implementation of any settlement agreement or corporate integrity agreement. Prolonged and publicized investigations could also damage the reputation and business of a health care provider, regardless of outcome.

The Obligated Group maintains health care compliance policies and procedures aimed at complying with health care regulations and Management conducts the Obligated Group's operations and enters into business arrangements in a manner that it believes is materially compliant with existing health care laws and regulations. Nevertheless, governmental entities

responsible for enforcing these laws and regulations may take the position that the Obligated Group is in violation of these laws. In addition, because health care regulations are particularly complex, such regulations may be interpreted and enforced in a manner that is inconsistent with Management's interpretation. The Obligated Group's business or financial condition could be harmed if a member is alleged to have violated existing health care regulations or if it fails to comply with new or changed health care regulations. Furthermore, because the health care industry is one of the largest industries in the United States, it continues to attract much legislative interest and public attention. Further changes in the health care regulatory framework increasing burdens on health care providers could have a material adverse effect on the Obligated Group's business or financial condition.

Certain key health care regulations are briefly discussed below:

Civil Monetary Penalties Law. The federal Civil Monetary Penalties Law authorizes civil monetary penalties for a variety of health care fraud violations (such as Anti-Kickback Statute, Stark Law, False Claims Act, or EMTALA violations, each discussed below). Different amounts of penalties and assessments may be authorized based on the type of violation, and the amounts are adjusted yearly for inflation. Civil monetary penalties also may include an assessment of up to three times the amount claimed for each item or service, or up to three times the amount of remuneration offered, paid, solicited or received. Actions subject to penalties include: (1) presenting fraudulent claims, (2) presenting claims for which a provider knows Medicare will not pay, (3) "gainsharing" arrangements which induce providers to limit or reduce medically necessary services, (4) providing benefits to Medicare or Medicaid beneficiaries that a provider knows or should know are likely to induce the beneficiaries to choose the provider for their care, and (5) violating the Anti-Kickback Statute or the Stark Law. Health care providers may be found liable under the Civil Monetary Penalties Law even when they did not have actual knowledge of the action being improper; knowingly undertaking the action is sufficient. Civil monetary penalties can add up quickly and result in multi-million-dollar judgments or settlements, materially adversely impacting a provider's business or financial condition.

Anti-Kickback Statute. The federal Anti-Kickback Statute is a felony criminal law that prohibits the knowing and willful payment of "remuneration" to induce or reward patient referrals or the generation of business involving any item or service payable by the federal health care programs (*e.g.*, drugs, supplies, or health care services for Medicare or Medicaid patients). Actual knowledge and specific intent to violate the statute are not required. Remuneration includes anything of value and can take many forms besides cash (*e.g.*, free rent, free hotel stays and meals, and excessive compensation for medical directorships or consultancies). The Anti-Kickback Statute applies to both the payors of kickbacks (those who offer or pay remuneration) as well as the recipients of kickbacks (those who solicit or receive remuneration). Anti-Kickback "safe harbors" described in federal regulations protect certain payment and business arrangements that could otherwise implicate the Anti-Kickback Statute from criminal and civil prosecution (*e.g.*, personal services and rental agreements, investments in ambulatory surgical centers, and payments to bona fide employees), but in order to be protected by a safe harbor, an arrangement must squarely meet each safe harbor element. Failure to squarely meet all the required elements

of a safe harbor does not necessarily render the conduct or business arrangement illegal under the Anti-Kickback Statute. Rather, such conduct or business arrangements may be subject to increased regulatory scrutiny. Criminal penalties, civil monetary penalties and administrative sanctions for violating the Anti-Kickback Statute include substantial fines per kickback plus monetary penalties up to three times the amount of damages sustained by the government, jail terms, and exclusion from participation in the federal health care programs. In addition, under the ACA, submission of a claim for services or items generated in violation of the Anti-Kickback Statute constitutes a false or fraudulent claim subject to additional penalties under the federal False Claims Act (discussed below).

In addition to the federal Anti-Kickback Statute, many states, including Idaho, have anti-kickback and/or fee-splitting statutes designed to prohibit inducements or improper remuneration for the referral of patients. In some cases, state statutes are broader or carry larger fines than corresponding federal law. Management believes its policies, procedures and business arrangements are in material compliance with the Anti-Kickback Statute and applicable state anti-kickback and fee-splitting laws and regulations, but no assurance can be given that a violation will not be found. Any sanctions imposed as a result of an Anti-Kickback Statute or similar state law violation could have a material adverse effect on the Obligated Group's business or financial condition.

Eliminating Kickbacks in Recovery Act. The federal Eliminating Kickbacks in Recovery Act ("*EKRA*") generally prohibits offering, paying, receiving or soliciting any remuneration for referrals to a laboratory, recovery home, or clinical treatment facility. Violations may result in significant criminal penalties, including fines and prison. Unlike the federal Anti-Kickback Statute, EKRA applies to private payer programs as well as government payers. Like the federal Anti-Kickback Statute, EKRA does have several statutory safe harbors, but it has no regulatory safe harbors. Accordingly, it is more difficult to fit within a safe harbor under EKRA. Management believes its practices and arrangements are in material compliance with EKRA, but given the lack of regulatory safe harbors and limited case law, it is possible that the government might reach a different conclusion.

Stark Law. The federal Physician Self-Referral Law (commonly known as the Stark Law) prohibits a physician from referring Medicare or Medicaid patients for certain "designated health services" to an entity in which the physician (or an immediate family member) has an ownership/investment interest or with which the physician has a compensation arrangement, unless an exception applies. "Designated health services" includes clinical laboratory, physical therapy, radiology, inpatient and outpatient hospital, and other services. Importantly, the Stark Law is a strict liability statute, meaning that one can violate the law without any intent to do so. Statutory and regulatory exceptions to the Stark Law's referral prohibition can protect a broad range of common financial relationships between referring physicians and a designated health services provider such as a hospital (*e.g.*, employment relationships, relocation arrangements, leases, group practice arrangements, or medical directorships). If the relationship does not squarely meet the elements of a Stark Law exception, it will result in violation of the law. A Stark Law violation may result in a denial of Medicare reimbursement, required refunds to patients

and the Medicare program, substantial civil monetary penalties and exclusion from participation in the Medicare and Medicaid programs and other federal programs. In addition, the submission of a claim for services or items generated in violation of the Stark Law may constitute a false or fraudulent claim, and thus create additional penalties under the federal False Claims Act.

Many states have adopted self-referral prohibitions similar to the Stark Law, some of which may be broader in scope and carry larger fines than the federal statute. Idaho does not currently have a self-referral prohibition law; however, Idaho's Medicaid regulations allow the state to deny payment for services that are referred in violation of the federal Stark law. Management cannot predict whether Idaho will pass or modify those requirements in the future. Management believes its policies, procedures and business arrangements are in material compliance with the Stark Law as well as Idaho Medicaid requirements, but no assurance can be given that a violation will not be found. Any sanctions imposed as a result of a Stark Law or similar state law violation could have a material adverse effect on the Obligated Group's business or financial condition.

The Obligated Group's participation in and development of joint ventures and other financial relationships with physicians could be adversely affected by the Stark Law and similar state laws. Moreover, new payment structures promoted by the ACA, such as ACOs and other arrangements involving combinations of hospitals, physicians and other providers who share payment savings, could potentially be seen as implicating the Anti-Kickback Statute or the Stark Law.

CMS has established a voluntary self-disclosure program under which hospitals and other entities may report Stark Law violations and seek a reduction in potential refund obligations. The Members of the Obligated Group may make self-disclosures under this program as appropriate from time to time. Any submission pursuant to the self-disclosure program does not waive or limit the ability of the DHHS Office of the Inspector General or the U.S. Department of Justice to seek or prosecute violations of the Anti-Kickback Law or impose civil monetary penalties. The scope of repayments, penalties and other actions resulting from a self-disclosure will depend on the particular facts and circumstances, including the current regulatory interpretation of the issues subject to such disclosure.

False Claims Act and Whistleblower Lawsuits. The federal False Claims Act (*"FCA"*) prohibits knowingly submitting a false or fraudulent claim to the federal government (*e.g.,* the Medicare or Medicaid programs) for reimbursement. Because the term "knowingly" is defined broadly under the law to include not only actual knowledge but also deliberate ignorance or reckless disregard of the facts, the FCA can be used to punish a wide range of conduct. Accordingly, FCA investigations and cases have become common in the health care industry and may cover a range of activity from intentionally inflated billings to highly technical billing infractions, to allegations of unnecessary or inadequate care. Additionally, a claim connected to a Stark Law or Anti-Kickback Statute violation may be deemed a false claim in violation of the FCA. The ACA further expanded the reach of the FCA to include, among other things, failure to report and return known overpayments within statutory limits. Filing false claims in violation of the FCA can result

in civil fines, substantial per claim penalties and monetary penalties up to three times the amount of damages sustained by government (*e.g.*, the amount falsely billed to the Medicare or Medicaid program). These fines can add up quickly and result in multimillion dollar judgments or settlements. Additionally, violation or alleged violation of the FCA can result in payment suspension pending investigation, the imposition of corporate integrity agreements, costly settlement agreements, or exclusion from Medicare and Medicaid.

The *qui tam* or "whistleblower" provisions of the FCA allow a private individual to bring an FCA action on behalf of the government. As part of the resolution of a *qui tam* case, the whistleblower may share in a portion of any FCA settlement or judgment. *Qui tam* actions can also be filed under certain state false claims laws if the fraud involves Medicaid funds or funding from state and local agencies. In recent years, there has been a large increase in the number of FCA *qui tam* actions. Because *qui tam* lawsuits are kept under seal while the federal government evaluates whether the United States will join the lawsuit, it is difficult to determine whether any such actions are pending.

The Deficit Reduction Act of 2005 provides financial incentives to states that pass similar false claims statutes or amend existing false claims statutes that track the FCA more closely with regard to penalties and rewards to *qui tam* relators. Accordingly, many states have passed similar false claims statutes, some of which expand the prohibition against false claims submitted to non-government third-party payors. Although Idaho does not currently have a state false claims law that allows for whistleblowers or extends the false claims prohibition to commercial payors, it does have a general Medicaid anti-fraud act which prohibits the submission of false claims to the Idaho Medicaid program. At the present time, Management is not aware of any overpayments, pending or threatened claims, investigations or enforcement actions under the FCA or state false claims laws which, if determined adversely to the Members of the Obligated Group, would have a material adverse effect on the Obligated Group's business or financial condition. No assurance can be given that an FCA action will not be filed and a violation found. Any sanctions imposed as a result of an FCA or state false claims law violation could have a material adverse effect on the Obligated Group's business or financial condition.

HIPAA and State Privacy Laws. The Health Insurance Portability and Accountability Act, as amended by the Health Information Technology for Economic and Clinical Health Act and as it may further be amended from time to time, and its implementing regulations (collectively, "*HIPAA*"), provide data privacy and security requirements for safeguarding medical information. HIPAA, which applies to health plans, health care clearinghouses, and health care providers who conduct the standard health care transactions electronically, includes both (1) a "privacy rule," which sets forth national standards for the protection of individually identifiable protected health information ("*PHI*"), and (2) a "security rule," which sets forth national standards for protecting the confidentiality, integrity, and availability of electronic PHI. Failure to comply with HIPAA can result in both criminal and civil fines and penalties. Mandatory breach notification and reporting requirements increase the risk of government enforcement as well as class action lawsuits, especially if large numbers of individuals are affected by a breach. Additionally,

states may have privacy or consumer protection laws that are broader than HIPAA, and unlike HIPAA, authorize a private right of action. Management believes the Members of the Obligated Group are in material compliance with HIPAA and similar state privacy laws and regulations, but no assurance can be given that a violation will not be found. Any sanctions imposed as a result of a HIPAA or state privacy law violation could have a material adverse effect on the Obligated Group's business or financial condition.

Health care providers are increasingly analyzing or partnering or contracting with others to analyze health care "Big Data," *i.e.,* datasets of such volume or breadth that cannot be analyzed using ordinary database software tools. In particular, large hospitals may analyze health care Big Data for operational purposes such as to measure value-based performance. Hospitals may also enter into research collaborations with technology companies to analyze health care Big Data for research purposes. Although HIPAA permits the use and disclosure of individually identifiable health information held by covered entities for operational or research purposes, both the covered entity and its business associate must comply with stringent privacy and security requirements which, if not met, can lead to significant exposure both with respect to the government and civil litigants. For example, to share individually identifiable health information with a research partner, a hospital may choose to de-identify such information which would be a permissible use or disclosure under HIPAA. However, the failure to properly de-identify could result in significant financial exposure particularly due to the volume of patients affected. The Members of the Obligated Group may use or share health care Big Data for operational and research purposes and due to the complexity of HIPAA's requirements, non-compliance in this context in the future could result in a material adverse impact.

EMTALA. The federal Emergency Medical Treatment and Labor Act ("*EMTALA*") requires that Medicare-participating hospitals and other facilities with emergency departments provide "appropriate medical screening" to patients who come to the emergency department to determine if an emergency medical condition exists regardless of a patient's ability to pay. If an emergency medical condition exists, the facility must stabilize the patient within its capabilities and only transfer the patient once stabilized. Failure to comply with EMTALA may result in the imposition of civil monetary penalties or a hospital's exclusion from the Medicare and/or Medicaid programs. EMTALA and its implementing regulations are complex, and a hospital's compliance is dependent, in part, upon the volition of medical staff members. Over the last few years, the federal government has increased its enforcement of EMTALA. Management believes its policies and procedures are in material compliance with EMTALA, but no assurance can be given that a violation of EMTALA will not be found. Any failure of a Member of the Obligated Group to meet its responsibilities under EMTALA could have a material adverse effect on the Obligated Group's business or financial condition.

Clinical Research Laws. The DHHS Food and Drug Administration ("*FDA*") and the Office for Human Research Protections have authority over clinical trials and federally funded research. The FDA's inspection of facilities has increased significantly in recent years. These agencies' enforcement powers range from substantial fines and penalties to exclusions of researchers and suspension or termination of entire research programs.

Management believes that clinical research being conducted by the Obligated Group is in material compliance with applicable law and regulation.

Price Transparency Regulations. The federal Hospital Price Transparency Rule ("*Transparency Rule"*) requires hospitals to publish gross charges, discounted cash prices, payor-specific negotiated charges, and minimum and maximum negotiated charges for all items and services provided by the hospital. Hospitals are also required to publish a consumer-friendly list of standard charges for at least 300 shoppable services—generally, non-emergency services that patients can schedule in advance. Failure to comply with these requirements can result in daily monetary penalties to the hospital, subject to a total maximum yearly penalty which varies based on the number of hospital beds. Certain states, including Idaho, have also adopted price transparency laws, some of which may be broader in scope and carry larger fines than the federal Transparency Rule. Failure to comply with the Transparency Rule or state price transparency laws could have a material adverse effect upon the future financial condition and operations of the Obligated Group. Additionally, the availability of competitively sensitive pricing information among hospitals, insurers, and employer sponsors of group health plans could lead to market distortions, anti-competitive effects protracted payor contract negotiations, or changes in patient choice, any of which may negatively impact the Obligated Group. At the present time, Management is not aware of any pending or threatened claim, investigation, or enforcement action regarding price transparency issues which, if determined adversely to the Members of the Obligated Group, would have a material adverse effect on the Obligated Group's business or financial condition.

Idaho Patient Care Act. The Idaho Patient Care Act (the *"IPCA"*) limits healthcare providers ability to pursue collection actions against a patient unless the provider has submitted the claims to third party payers and has provided certain notices to the patient in a timely manner. Failure to comply with the IPCA may limit a Member of the Obligated Group's ability to collect for services rendered and/or subject a Member of the Obligated Group to additional fines and penalties. Although Management believes its practices are consistent with the IPCA, situations periodically arise that are not clearly contemplated by the IPCA and that make compliance difficult. Accordingly, it is possible that a violation may be found, and such violation may affect the Obligated Group's operations.

No Surprises Act. The No Surprises Act establishes federal protections against surprise medical bills that could arise from out-of-network emergency care, certain ancillary services provided by out-of-network providers at in-network facilities, and for out-of-network care provided at in-network facilities without the patient's informed consent. Patients are required to pay only the in-network cost-sharing amount, which will be determined through a formula established by the DHHS Secretary and counted toward the patient's health plan deductible and out-of-pocket cost-sharing limits. Providers are not permitted to balance bill patients beyond this cost-sharing amount. Both providers and health plans are required to inform patients about these protections. Violations could result in enforcement action or substantial federal civil monetary penalties. Although surprise billing laws are important for protecting patients, they can reduce the bargaining power of hospitals with payers and ultimately have a negative impact on hospitals. The ultimate

effect of the No Surprises Act on the Obligated Group's operations and financial condition cannot be predicted at this time. At the present time, Management is not aware of any pending or threatened claim, investigation, or enforcement action relating to the No Surprises Act which, if determined adversely to the Members of the Obligated Group, would have a material adverse effect on the Obligated Group's business or financial condition.

U.S. Supreme Court Ruling on the Chevron Doctrine. In June 2024, the U.S. Supreme Court issued its decision in *Loper Bright Enters. v. Raimondo* (the "*Loper Bright Decision"*), which modified the regulatory interpretation standard established 40 years ago by *Chevron v. National Resources Defense Council* (the "*Chevron Doctrine"*). The Chevron Doctrine permitted federal agencies to interpret federal statutes when a statute was silent or ambiguous with respect to a specific issue and further provided that courts should defer to the agency's interpretation so long as the interpretation was a permissible construction of the statute, even if the court would have reached a different conclusion. Under the *Loper Bright* Decision, the Supreme Court held that a court is not required to automatically defer to an agency's interpretation of an ambiguous statute, though it may take the agency's interpretation of a statute into consideration in its ruling.

At this time, Management cannot predict the impact of the *Loper Bright* Decision on the operations or financial condition of the Members of the Obligated Group, or on the health care industry generally. However, the ruling is generally expected to result in a chill in future federal rulemaking and a significant increase in litigation challenging existing and future federal rules and regulations, including those promulgated by health care regulatory agencies such as DHHS and CMS. While some health care stakeholders may welcome less deference to administrative agencies, the *Loper Bright* Decision may introduce uncertainty in the federal regulatory framework governing health care and result in a disparate body of case law across jurisdictions that could make it more difficult for health care providers, including the Members of the Obligated Group, to fully comply with federal laws.

Failure to Comply with Other Governmental Laws and Regulations Could Result in Substantial Fines or Penalties

In addition to laws and regulations specific to the health care industry, as discussed above, the Members of the Obligated Group are subject to a wide variety of laws and regulations in the ordinary course of business. Violation of these laws or regulations could result in various penalties, demands, or substantial defense costs, any of which could have a material adverse effect on the Obligated Group's business or financial condition. Some of these laws are briefly described below.

Environmental and Occupational Health and Safety Laws and Requirements. Typical health care facility operations include the handling, use, storage, transportation, disposal and/or discharge of hazardous, infectious, toxic, radioactive, flammable and other hazardous materials, wastes, pollutants and contaminants. As such, health care facility operations are particularly susceptible to the practical, financial and legal risks associated with compliance with

environmental and occupational health and safety laws and regulations. These risks may result in (1) damage to individuals, property or the environment, (2) the interruption of operations and/or increased operating costs, (3) legal liability, damages, injunctions, citations, or fines, and (4) investigations, administrative proceedings, civil litigation, criminal prosecution, penalties or other governmental agency actions. Such actions may not be covered by insurance. There is no assurance that the Obligated Group will not encounter such problems in the future and such problems may result in material adverse consequences to the Obligated Group's business or financial condition. In addition to the environmental and occupational health and safety laws and regulations that typically apply to the Obligated Group, compliance with pandemic-related occupational health and safety laws may increase operating costs or affect the Obligated Group's ability to recruit and retain employees.

At the present time, Management is not aware of any pending or threatened claim, investigation, or enforcement action regarding environmental, occupational, or other health and safety issues which, if determined adversely to the Members of the Obligated Group, would have a material adverse effect on the Obligated Group's business or financial condition.

Antitrust Laws. Enforcement of the 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 and joint venture, merger, affiliation and acquisition activities. The Federal Trade Commission has publicly acknowledged increasing enforcement action in the areas of hospital and physician combinations and enforcement in the health care sector continues to be active. The most common areas for potential liability are joint activities among providers with respect to payor contracting, medical staff credentialing, hospital and physician mergers and acquisitions, and allegations of exclusion of competitors from market opportunities. From time to time, Members of the Obligated Group may be involved in joint contracting activity or affiliation discussions with other hospitals or providers. Violation of the antitrust laws can result in criminal and civil enforcement by federal and state agencies and large financial damages. At various times, a Member of the Obligated Group 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. Liability may be substantial, depending on the facts and circumstances of each case and may have a material adverse impact on the Obligated Group. See also, "Various Employer-Related Risks Could Adversely Affect Operations and Financial Condition—Medical Staff Disputes," below.

Professional Liability Lawsuits and Other Claims. Professional liability and other actions alleging wrongful conduct and seeking punitive damages are often filed against hospitals and other health care providers. Litigation also arises from the corporate and business activities of hospitals, from a hospital's status as an employer, as a result of medical staff or provider network peer review, or the denial of medical staff or provider network privileges. Professional and general liability insurance does not cover all claims and is subject to policy limitations. If the aggregate limit of any of the Obligated Group's professional and general liability policies is exhausted, in whole or in part, it could deplete or reduce the limits available to pay any other material claims applicable to that policy period. Any losses not covered by or in excess of the amounts maintained under insurance policies will be funded from the Obligated Group's working capital. Furthermore,

there is no assurance that hospitals will be able to maintain the coverage amounts currently in place in the future, that the coverage will be sufficient to cover malpractice judgments rendered against a hospital or that such coverage will be available at a reasonable cost in the future. Additionally, one or more of the Obligated Group's insurance carriers could become insolvent and unable to fulfill obligations to defend, pay or reimburse the Obligated Group when those obligations become due. In that case, or if payments of claims exceed Management's estimates, or are not covered by the Obligated Group's insurance, it could have a material adverse effect on the Obligated Group's business or financial condition.

Industry Trend Towards Alternative Payment Models and Clinically Integrated Delivery Systems Carries Regulatory Risks and May Negatively Affect Revenues

It is generally expected that alternative payment models such as value-based purchasing programs that condition reimbursement on patient outcome measures, will become more common and involve a higher percentage of reimbursement amounts. As discussed above, the ACA contains a number of health care delivery reform measures intended to promote value-based purchasing in the federal health care programs and commercial third-party payors are increasingly implementing value-based purchasing and other alternative payment models. This rapid volume-to-value reimbursement shift could present financial challenges for the Obligated Group and the employed or contracted clinicians with whom the Obligated Group partners to deliver care, particularly to the extent they are unable to meet targeted measures.

To keep pace with industry trends, many hospitals and health systems are pursuing clinical integration strategies or other joint ventures with physician groups in order to offer an integrated package of health care services to patients and health care insurers. These integration strategies may take many forms, including (1) ACOs, organizations typically composed of a hospital and certain other health care providers that coordinate patient care and tie payment for that care to the achievement of quality metrics, (2) management service organizations, organizations that provide physicians or physician groups with a combination of financial and managed care contracting services, office and equipment, office personnel and management information systems, (3) physician hospital organizations, organizations that are typically jointly owned or controlled by a hospital and physician group for the purpose of managed care contracting, implementation and monitoring, and (4) hospital based clinics or medical practice foundations, which may purchase and operate physician practices as well as provide all administrative services to physicians. Often the start-up capitalization for such structures, as well as operational deficits, is funded by the sponsoring hospital or health system. Depending on the size and organizational characteristics of a particular strategy, these capital requirements may be substantial. In some cases, the sponsoring hospital or health system may be asked to provide a financial guarantee for the debt of a related entity that is carrying out an integrated delivery strategy. In certain of these structures, the sponsoring hospital or health system may have an ongoing financial commitment to support operating deficits, which may be substantial on an annual or aggregate basis. In addition, participating physicians may seek their independence for a variety of reasons, thus putting the hospital or health system's investment at risk and potentially reducing its managed care leverage and/or overall utilization. If an integrated delivery system structure is not functionally

successful, it may produce materially adverse results that are counterproductive to some or all of its goals.

Joint venture and integrated delivery strategies carry with them the potential for legal or regulatory risks in varying degrees. Such ventures or strategies may call into question compliance with the federal fraud and abuse laws, relevant antitrust laws and federal or state tax-exemption. Such risks will turn on the facts specific to the implementation, operation or future modification of any integrated delivery system. In addition, depending on the type of structure, a wide range of governmental billing and other issues may arise, including questions of the authorization of the entity to bill for or on behalf of the physicians involved. Other related legal and regulatory risks may arise, including employment, pension and benefits, requirements for risk-bearing organizations and corporate practice of medicine, particularly in the current atmosphere of frequent and often unpredictable changes in federal and state legal requirements regarding health care and medical practice. The ability of hospitals or health systems to conduct integrated physician operations may also be altered or eliminated in the future by legal or regulatory interpretation or changes or by health care fraud enforcement. Management believes any of its current joint ventures and integrated care arrangements are in material compliance with applicable state and federal health care regulatory laws. Nevertheless, there can be no assurance that the Obligated Group's joint ventures or integrated delivery models will not be subject to investigation or otherwise found to be in violation of applicable health care rules and regulations.

Competition and Consumer Transparency Could Adversely Affect Patient Volume and Financial Condition

The health care business is highly competitive. Competition for patients among hospitals and other health care providers has intensified in recent years. Increased competition from this wide variety of sources (*e.g.*, specialty hospitals, other hospitals and health care systems, outpatient facilities, long-term care and skilled nursing services facilities, physician groups, urgent care clinics, telehealth providers, and home health providers) may adversely affect the utilization and revenues of hospitals. If the Members of the Obligated Group's competitors are better able to attract patients, deliver services, recruit physicians, expand or integrate services, or obtain favorable managed care contracts at their facilities, the Obligated Group may experience an overall decline in patient volumes and revenues. Additionally quality measures and future trends toward clinical transparency may have an unanticipated impact on the Obligated Group's competitive position and patient volumes. Health care consumers are now able to access hospital performance data on quality measures and patient satisfaction, as well as standard charges for services, to compare competing providers. If any of the Obligated Group's health care facilities achieve poor results (or results that are lower than competitors) on quality measures or patient satisfaction surveys, or if its standard charges are higher than their competitors, the Obligated Group may attract fewer patients. The CMS Price Transparency Rule (discussed above) which requires the publication of hospital standard charges (including negotiated charges), could also result in market distortion or changes to patient choice that may negatively impact the Obligated Group.

Future competition may arise from new sources not currently anticipated or prevalent. Additionally, scientific and technological advances, new procedures, drugs and devices, preventive medicine, and a trend toward outpatient or home health care delivery may reduce

utilization and revenues of hospitals in the future or otherwise lead the way to new avenues of competition. Efforts to reduce hospital readmissions and costs in the overall care continuum will further the use of these new and changing technologies.

Costly Information Technology or Medical Technology Improvements May Be Necessary to Remain Competitive

The ability to adequately price and bill health care services and to accurately report financial results depends on the operability of a health care provider's electronic medical record ("*EMR*") and other information technology ("*IT*") systems and the integrity of the data stored within such systems. EMR and IT systems require an ongoing commitment of significant resources to maintain and protect existing systems and to develop IT systems to keep pace with evolving regulatory standards and technological advances. There can be no assurance that such efforts will be successful or that operational or regulatory issues will not arise. From time to time, providers may choose to change or upgrade EMR systems. Such changes and upgrades can be costly and have the potential to disrupt operations and create regulatory issues such as data privacy issues. The implementation of new EMR or IT cannot be predicted but may have a material adverse effect on the Obligated Group's business or financial condition.

Medical discoveries and advancements, including the development of new drugs, devices or procedures, may add significantly to the Obligated Group's cost of providing services, requiring costly new medical technology with no or little offsetting increase in federal reimbursement. Moreover, medical advancements also may render obsolete certain health care services, thereby either increasing expense or reducing revenues. The ability of the Obligated Group to purchase and offer new medical technology and equipment may be subject to the availability of such equipment, specialists trained in such equipment or technology, governmental approval, or the ability to finance such acquisitions or operations. The implementation of new medical technology cannot be predicted but may have a material adverse effect on the Obligated Group's business or financial condition.

Future Acquisitions, Divestitures or Other Affiliations Could Require Significant Capital Expenditures and Change the Composition of the Obligated Group

The Members of the Obligated Group periodically evaluate and selectively pursue potential merger, affiliation and joint venture candidates on a consistent basis as part of their overall strategic planning and development process. As a result, it is possible that the entities and assets that currently make up the Obligated Group may change from time to time, subject to provisions in the Master Indenture and other financing documents that apply to merger, sale, disposition or purchase of assets or with respect to joining or withdrawing from the Obligated Group. See Article VIII in the form of the Master Indenture attached hereto as APPENDIX C. In addition to relationships with hospitals and physicians, the Obligated Group may pursue investments, ventures, affiliations, development and acquisitions of other health care-related entities. These may include providers of home health care, long-term care entities or operations, pharmaceutical providers and other health care enterprises that support the overall operations and mission of the Obligated Group. In addition, the Members of the Obligated Group may pursue transactions with third-party payors, third-party administrators and other health insurance-related businesses. Because of the rapid

integration occurring throughout the health care industry, the Obligated Group will consider such arrangements where there is a perceived strategic or operational benefit. All such initiatives may involve significant capital commitments and/or capital or operating risk. There can be no assurance that these projects, if pursued, will not have a material adverse effect on the Obligated Group's business or financial condition.

Cyber Attacks Could Adversely Affect Operations and Revenues

The Obligated Group relies on IT systems, including EMRs, to operate its facilities and process, transmit and store sensitive and confidential data, including the PHI and personally identifiable information of its patients and employees, and proprietary and confidential business performance data. In the past several years, a number of entities have sought to gain unauthorized access to IT systems of large organizations to misappropriate assets or information or to cause operational disruptions. These attempts may be highly sophisticated. Although the Obligated Group has implemented network security measures, the Obligated Group's IT systems may still be vulnerable computer viruses, cyber-attacks by hackers (such as malware or ransomware attacks), or breaches due to internal or external malfeasance or employee error or negligence. Any cybersecurity event that limits a health facility's ability to access its IT systems or otherwise compromises patient data could result in the disruption or cessation of facility operations, patient safety issues, the loss of patient records, an inability to submit claims for reimbursement or process payments, the payment of significant ransoms, negative press, and/or the imposition of substantial fines or penalties for violation of federal or state privacy laws, any of which may adversely affect a health facility's business or financial condition. At the present time, Management is not aware of any cybersecurity attack or breach which is expected to have a material adverse effect on the Obligated Group's business or financial condition.

Cyber-attacks specifically targeted at health systems have been occurring more frequently, and in some recent cases, have resulted in the disruption or temporary cessation of facility operations. DHHS, the Federal Bureau of Investigation, and the Cybersecurity and Infrastructure Agency (*"CISA"*) have expressed concern that U.S. hospitals and health care providers are a prime target for cyber-attacks and that such cyber-attacks could result in data theft and disruption of health care services. The Cyber Incident Reporting for Critical Infrastructure Act (*"CIRCA"*), signed into law in March 2022, requires hospitals and health systems to report cyber breaches within 72 hours and any ransomware payments made within 24 hours to CISA at the United States Department of Homeland Security. CIRCA requires CISA to promulgate corresponding implementing regulations. The potential impact of any final implementing regulations relating to CIRCA is unknown at this time.

Cybersecurity threats will continue to evolve, and the Obligated Group may not be able to anticipate certain attack methods in order to implement effective protective measures. As a result, the Obligated Group may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate, and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks. Additionally, the Obligated Group's IT and other systems routinely interface with and rely on third party systems that are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information or to protect those other systems from breaches or cyber-attacks. A breach or attack

affecting a third-party service provider could harm the Obligated Group's business or financial condition. Although the Obligated Group has insurance against some cyber risks and attacks, it may not be sufficient to offset the impact of a material loss event.

Facility Damage Could Adversely Affect Operations and Revenues

Health care facilities are highly dependent on the condition and functionality of their physical facilities. Damage from natural or manmade disasters, severe weather, deliberate acts of destruction, terrorism or various facility system failures may have a material adverse impact on the Obligated Group's business or financial condition, especially if insurance is inadequate to cover resulting property and business losses. No assurance is given as to the continuation of existing insurance coverage, which, among other things, may not be available at a reasonable cost in the future. Climate change may increase the frequency or severity of extreme weather events and other natural disasters.

Certain Obligated Group facilities are situated in regions that are prone to wildfires.

Various Employer-Related Risks Could Adversely Affect Operations and Financial Condition

Employee Relationships/Retention. The Obligated Group employs a large number and wide diversity of employees. The ability of the Members of the Obligated Group to employ and retain qualified employees, including any senior management, and their ability to maintain good relations with such employees and employee unions (if any) affect the quality of services to patients and the financial condition of the Members of the Obligated Group. The ability to employ and retain employees was complicated by the COVID-19 pandemic, as described below under "Staffing Shortages."

Employees subject to collective bargaining agreements may include essential nursing and technical personnel, as well as food service, maintenance and other trade personnel. Renegotiation of collective bargaining agreements upon expiration may result in significant cost increases. Employee strikes or other adverse labor actions may have an adverse impact on operations, revenue, and facility reputation. Presently, no Obligated Group employees are represented by labor unions and Management is not aware of any efforts to organize employees into any collective bargaining groups. See "WORKFORCE" in APPENDIX A.

On April 23, 2024, the U.S. Federal Trade Commission ("*FTC*") issued a Final Rule (the "*Non-Compete Rule*") banning employment agreement non-competes nationwide and across all industries with a stated effective date of September 4, 2024. Under the Non-Compete Rule, existing non-competes also would no longer be enforceable after the Non-Compete Rule's effective date, except for high-earning senior executives in policy making roles. On August 20, 2024, the U.S. District Court for the Northern District of Texas held that the Non-Compete Rule is unlawful and ordered that the Non-Compete Rule not take effect on September 4, 2024 or thereafter, which prevents the FTC from enforcing the Non-Compete Rule. The FTC filed a notice of appeal on October 19, 2024. Absent a court order to the contrary, the lower court order setting aside the Non-Compete Rule will remain in effect nationwide, meaning the non-compete ban

continues to remain unenforceable. The timing and outcome of the FTC's appeal cannot be predicted. Non-competes are commonly used in the health care sector and their elimination could exacerbate already existing workforce challenges for hospitals. While the Non-Compete Rule generally will not apply to non-profit organizations, the FTC has stated an intention to consider both the source and the destination of an entity's income when deciding if an entity is within the FTC's jurisdiction, and thus subject to the Non-Compete Rule. The applicability of the Non-Compete Rule to the operations of the Obligated Group and the consequence thereof cannot be determined at this time.

Staffing Shortages. The health care industry occasionally experiences a scarcity of clinical and non-clinical personnel, including primary care physicians, nurses, respiratory therapists, radiation technicians, pharmacists, and other trained health care technicians. A current and significant nationwide nursing shortage is particularly affecting the health care sector and various studies have predicted that physician and nurse shortages will become more acute over time as practitioners retire and patient volume exceeds the growth in new practitioners. Additionally, the COVID-19 pandemic exacerbated staffing shortages with practitioners and other personnel deciding to leave the health care sector or retire early. In addition, several COVID-19 related factors, such as fear of workplace exposure, vaccination mandates, and difficulties in finding child and elder care, has caused a tight job market, generally. Many employers in a variety of sectors continue to struggle to fill available positions. Personnel shortages may result in increased costs and lost revenues due to the need to hire agency staffing personnel at higher rates, increased compensation levels to retain and recruit personnel, and the inability to operate at capacity due to the staff shortage, any of which could materially adversely impact the Obligated Group's business or financial condition.

Physician Relationships and Supply. The success of the Obligated Group's business depends in significant part on the number, quality, specialties, and admitting and scheduling practices of admitting physicians. Accordingly, it is essential to the Obligated Group's ongoing business that it attract an appropriate number of quality physicians in the specialties required to support its services and that it maintain good relationships with those physicians. A shortage of physicians, especially in primary care, could become a significant issue for health providers in the coming years. In addition, reductions in Medicare or Medicaid reimbursement could lead to physicians relocating their practices in communities with fewer Medicare and Medicaid enrollees. The Obligated Group may be required to invest additional resources for recruiting and retaining physicians or may be required to increase the percentage of employed physicians in order to continue serving the growing population base and maintain market share.

The Members of the Obligated Group may contract with physician organizations (such as independent physician associations and physician-hospital organizations) to arrange for the provision of physician and ancillary services. Because many such physician organizations are separate legal entities with their own goals, obligations to shareholders, financial status, and personnel, there are risks involved in contracting with physician organizations.

In recruiting, retaining and otherwise contracting with physicians, the Obligated Group will be limited by rules promulgated by federal regulation. Failure to comply with IRS rules regarding appropriate physician recruitment could result in loss of tax-exempt status and failure to structure

a contractual arrangement with a physician to comply with the Anti-Kickback Statute or Stark Law (as discussed above) could result in substantial fines, penalties, or exclusion from the federal health care programs. Management believes that the Obligated Group's physician arrangements are in material compliance with applicable laws and regulations, but no assurance can be given that regulatory authorities will not take a contrary position or that the Members of the Obligated Group will not be found to have violated applicable law. Additionally, future laws, regulations or policies may have a material adverse impact on the ability of the Members of the Obligated Group to recruit and retain physicians.

Pension and Benefit Fund Liabilities. The Obligated Group may incur significant expenses to fund pension and benefit plans for employees and former employees and to fund required workers' compensation benefits. Funding obligations in some cases may be erratic or unanticipated and may require significant commitments of available cash needed for other purposes. In addition, to the extent investment returns are lower than anticipated or losses on investments occur, the Obligated Group may also be required to make additional deposits in connection with pension fund liabilities.

Wage and Hour Class Actions and Litigation. Federal law and many states impose standards related to worker classification, eligibility and payment for overtime, liability for providing rest periods and similar requirements. Large employers with complex workforces are susceptible to actual and alleged violations of these standards. In recent years, there has been a proliferation of "wage and hour" lawsuits, often in the form of large, sometimes multistate, class actions. For large employers such as hospitals and health systems, such class actions can involve multimillion dollar claims, judgments and/or settlements. A major class action decided or settled adversely to any Members of the Obligated Group could have a material adverse impact on the Obligated Group's business or financial condition. Currently, no such class action lawsuits are pending against any of the Members of the Obligated Group.

Medical Staff Disputes. The primary relationship between a hospital and physicians who practice in it is through the hospital's organized medical staff. Medical staff bylaws, rules and policies establish the criteria and procedures by which a physician may have his or her privileges or membership curtailed, denied, or revoked. Physicians who are denied medical staff membership or certain clinical privileges or who have such membership or privileges curtailed or revoked often file legal actions against hospitals and medical staffs. Such actions may include a wide variety of claims, including antitrust claims, some of which could result in substantial uninsured damages to a hospital. Furthermore, from time to time, actions or decisions of hospital management may cause unrest among certain physician groups or members of the medical staff, which could result in legal or other actions, such as resignation from the medical staff. In addition, failure of the hospital governing body to adequately oversee the conduct of its medical staff may result in hospital liability to third parties.

IRS Reclassification of Independent Contractors to Employees. Health care facilities, like all businesses, are required to withhold income taxes from amounts paid to employees. If the employer fails to withhold the tax, the employer becomes liable for payment of the tax imposed on the employee. The IRS has established criteria for determining whether a worker is an employee or an independent contractor for tax purposes. If the IRS were to reclassify a significant

number of hospital independent contractors (*e.g.*, physician medical directors) as employees, back taxes and penalties could be material.

Skilled Nursing Facility Operation Carries Certain Additional Risks

In addition to risks affecting the health care industry generally, the Obligated Group's skilled nursing facility (the *"Skilled Nursing Facility"*) operations are subject to various additional risk factors. Some of these factors include (1) changes in the demand for skilled nursing care, (2) changes in the number and type of competing senior care facilities, (3) changes in reimbursement rates and federal and state laws applicable to skilled nursing facilities, (4) the limited income of seniors, and (5) difficulties in or restrictions on the Obligated Group's ability to raise rates for senior care. In recent years, a significant number of senior living facilities throughout the United States have defaulted on various financing obligations or otherwise have failed to perform as originally expected. There can be no assurance the Obligated Group's Skilled Nursing Facility will not experience one or more of the adverse factors that caused other facilities to fail.

The Nonprofit Health Care Environment Carries Certain Risks

As nonprofit tax-exempt organizations, the Members of the Obligated Group are subject to federal, state and local laws, regulations, rulings and court decisions relating to their organization and operation, including their operation for charitable purposes. At the same time, the Members of the Obligated Group conduct large scale complex business transactions and are major employers in their respective geographic areas. There can often be a tension between the rules designed to regulate a wide range of charitable organizations and the day to day operations of a complex health care organization. An increasing number of the operations or practices of health care providers have been challenged or questioned to determine if they are in compliance 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 many cases, are examinations of core business practices of the health care organizations. Areas that have come under examination have included pricing practices, billing and collection practices, charitable care, executive compensation, exemption of property from real property and sales 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, local school boards, other federal and state agencies and patients and in a variety of forums, including hearings, audits and litigation. For example, Senate and House committees have conducted several nationwide investigations of hospital billing and collection practices, including proposed reform in the area of tax-exempt organizations as a part of health care reform generally. The effect of any examinations, investigations, or challenges to the nonprofit status of health care organizations cannot be predicted. There can be no assurance that future changes in state or federal laws and regulations will not adversely affect the operations and financial condition of the Obligated Group.

Litigation Related to Billing and Collection Practices. Lawsuits have been filed in both federal and state courts alleging, among other things, that hospitals have failed to fulfill their obligations to provide charity care to uninsured patients and have overcharged uninsured patients.

The cases are proceeding in various courts around the country with inconsistent results. While it is not possible to make general predictions, some hospitals and health systems have incurred substantial costs in defending such lawsuits and in some cases have entered into substantial settlements. No Member of the Obligated Group is currently a defendant in litigation relating to the provision of charity care or overcharging uninsured patients.

Challenges to Real Property Tax-Exemptions. 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 sufficient charitable activities. These challenges have been based on a variety of grounds, including allegations of aggressive billing and collection practices and excessive financial margins. In Idaho, during the regular session of the Idaho State Legislature that commenced in January 2023 and ended in April 2023, certain bills were introduced that proposed providing the authority to local county commission to remove property tax exemptions for hospitals and related administrative and medical facilities that are not situated on a hospital's main campus. These proposed bills were not adopted by the Idaho State Legislature. There can be no assurance that future proposals or bills regarding challenges to property tax exemptions for hospital facilities will not be adopted in the future. The majority of the real property owned by the Obligated Group is exempt from property tax. Management is not currently aware of any challenges to this status. Any investigations or audits by the State or other governmental entities could lead to challenges with regard to property tax exemption with respect to facilities of the Obligated Group which, if successful, could adversely and materially affect the property tax exemption with respect to certain of the facilities.

Charity Care/Community Benefit. Tax-exempt hospitals often treat large numbers of low-income patients who are unable to pay in full for their medical care. General economic conditions that affect the number of employed individuals who have health coverage affect the ability of patients to pay for health care. Economic conditions could increase the number of uninsured and low-income patients. Similarly, changes in government policy, which may result in coverage exclusions under local, county, state and federal health care programs, may increase the frequency and severity of charity care treatment by such hospitals and other providers. It is also possible that future legislation could require that tax-exempt hospitals maintain minimum levels of charity care as a condition of federal income tax-exemption and exemption from certain state and local taxes.

Obligated Group Financings Carry Certain Risks

The obligations of the Members of the Obligated Group under the Master Indenture are limited to the same extent as the obligations of debtors typically affected by bankruptcy, insolvency, and the application of general principles of creditors' rights and as additionally described below. The Master Indenture permits the addition and the withdrawal of other Members of the Obligated Group if certain conditions are met. See Sections 9.01 and 9.02 in the form of the Master Indenture attached hereto as APPENDIX C. The obligations of any future Members of the Obligated Group under the Master Indenture will be limited to the same extent as the obligations of debtors typically are limited by the application of bankruptcy and insolvency laws, the application of laws governing creditors' rights and the application of equitable principles, and as additionally described below.

The joint and several obligations described herein of the Members of the Obligated Group to make payments of debt service on the Obligations issued pursuant to and under the Master Indenture may not be enforceable to the extent (1) enforceability may be limited by applicable bankruptcy, moratorium, reorganization, fraudulent conveyance or similar laws affecting the enforcement of creditors' rights and by general equitable principles or (2) such payments (a) are requested to be made with respect to payments on any Obligation (other than the Series 2025A/B/C Obligations) that is issued for a purpose that is not consistent with the charitable purposes of the Member of the Obligated Group from which such payment is requested or that is issued for the benefit of any entity other than a tax-exempt organization; (b) are requested to be made from any money or assets that are donor restricted or which are subject to a direct or express trust that does not permit the use of such money or assets for such payment; (c) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the Member of the Obligated Group from which such payment is requested; or (d) are requested to be made pursuant to any loan violating applicable usury laws. The extent to which the money or assets of any present or future Member of the Obligated Group falls within the categories referred to above cannot be determined and could be substantial. The foregoing notwithstanding, the accounts of the Members of the Obligated Group are and will continue to be combined for financial reporting purposes and will be used in determining whether various covenants and tests contained in the Master Indenture (including tests relating to the issuance of additional Indebtedness) are satisfied. See "SECURITY FOR THE BONDS — The Master Indenture" herein.

A Member of the Obligated Group may not be required to make any payment of any Obligation or portion thereof or the recipient of such payment may be compelled to return such payment, the proceeds of which were not lent or otherwise disbursed to such Member of the Obligated Group to the extent that such payment would conflict with or would be prohibited or avoidable under applicable laws.

The application of the law relating to the enforceability of guaranties or obligations of a member of an obligated group to make debt service payments on behalf of another member of the obligated group is not amenable to an unqualified declaration of whether a transfer would be prohibited or subject to avoidance.

As a general matter, in addition to a transfer of property made with the actual intent to hinder, defraud or delay creditors, a transfer of an interest in property by an entity may be avoided if the transfer is made for less than the "reasonably equivalent value" or "fair consideration" and the transferor (1) is insolvent (*e.g.*, is unable to pay its debts as they become due), (2) rendered insolvent by the transaction, (3) is undercapitalized (*i.e.*, operating or about to operate without property constituting reasonably sufficient capital given its business operations) or (4) intended or expected to incur debts that it could not pay as they became due.

The lack of certainty in the treatment of transfers is attributable to several factors. First, there is no true uniform law governing fraudulent transfers. Such transfers may be avoided under Title 11 of the United States Code (the *"Bankruptcy Code"*), state law variants of the Uniform Fraudulent Transfer Act and its predecessor, the Uniform Fraudulent Conveyance Act or other non-uniform statutes or common law principles. Second and more importantly, the standards for determining the reasonable equivalence of value or the fairness of consideration and the measure

for determining insolvency are subjective standards resolved in the exercise of judicial discretion after engaging in a fact intensive analysis. This subjectivity has resulted in a conflicting body of case law and a lack of certainty as to whether a given transfer would be subject to avoidance.

In addition, the Bankruptcy Code provides a means to avoid transfers of a debtor's interests in property made on account of an antecedent debt within 90 days of the debtor filing for relief or one year if the transferee is an "insider," if, as a result of that transfer, the transferee receives more than it would have received in a liquidation of the debtor under Chapter 7 of the Bankruptcy Code. Whether the creation of a lien or a payment made by a Member of the Obligated Group would be determined to be avoidable would be dependent on the particular circumstances surrounding the transfer.

There exists, in addition to the foregoing, common law authority and authority under various state statutes pursuant to which courts may terminate the existence of a nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that a nonprofit corporation has insufficient assets to carry out its stated charitable purposes or has taken some action that renders it unable to carry out its purposes. Such court action may arise on the court's own motion or pursuant to a petition of the attorney general of a particular state 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.

Enforceability of Security Interest in Pledged Accounts May Be Limited

The Obligations of the Obligated Group issued pursuant to the Master Indenture, including the Series 2025A/B/C Obligations, are general obligations of the Obligated Group. The Master Indenture will be secured by the security interest in the Pledged Accounts of the Obligated Group described under the heading "SECURITY FOR THE BONDS" above.

The enforceability, priority and perfection of the security interest in Pledged Accounts created under the Master Indenture and the ability to receive and realize on the same may be limited by a number of factors, including, without limitation: (1) provisions prohibiting the direct payment of amounts due to health care providers from Medicaid and Medicare programs to persons other than such providers; (2) the absence of an express provision permitting assignment of receivables due under the contracts between the Members of the Obligated Group and third party payors and present or future legal prohibitions against assignment; (3) certain judicial decisions that 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; (4) commingling of proceeds of accounts receivable with other moneys of the Members of the Obligated Group not so pledged under the Master Indenture; (5) statutory liens; (6) rights arising in favor of the United States of America or any agency thereof; (7) constructive trusts or equitable or other rights impressed or conferred thereon by a federal or state court in the exercise of its equitable jurisdiction; (8) federal and state laws governing fraudulent transfers as discussed above; (9) federal bankruptcy laws that may affect the enforceability of the Master Indenture or the security interest in the Pledged Accounts; (10) rights of third parties in Pledged Accounts converted to cash and not in the possession of the Master Trustee; (11) Permitted Liens; and

(12) claims that might arise if appropriate financing or continuation statements or amendments of financing statements are not filed in accordance with the Uniform Commercial Code of the applicable state, as from time to time in effect.

Accounts receivable of the Members of the Obligated Group which constitute Pledged Accounts and are pledged as security under the Master Indenture may be sold or pledged if such sale or pledge is in accordance with the provisions of the Master Indenture. If a prior security interest in accounts receivable is granted, the Master Trustee's security interest therein would be subordinated to such prior interest and the holders of such prior security interest would have a claim to the Obligated Group's accounts receivable prior to the security interest therein which secures all Obligations. The lien created under the Master Indenture on accounts receivable sold pursuant to the Master Indenture would terminate and be immediately released upon any such sale.

Master Indenture Permits Issuance of Additional Debt on Parity with Series 2025A/B/C Obligations

The value of the security interest in the Pledged Accounts could be diluted by the issuance of additional Obligations on a parity with the Series 2025A/B/C Obligations in accordance with the Master Indenture or incurrence of other Indebtedness by the Obligated Group in accordance with the Master Indenture. See Article II in the form of the Master Indenture attached hereto as APPENDIX C. Pursuant to the terms of the Master Indenture, the Members of the Obligated Group may incur additional Indebtedness (including Indebtedness secured by additional Obligations), letters of credit, interest rate swaps and hedges, and other third party guarantees which are entitled to the benefits of security which does not extend to any other Indebtedness (including the Series 2025A/B/C Obligations). Such security may include liens on the Property of the Obligated Group (including health care facilities) or any depreciation reserve, debt service reserve, debt service or similar fund established for such additional Indebtedness. See Sections 3.05 and 3.06 in the form of the Master Indenture attached hereto as APPENDIX C.

Certain Amendments to Principal Documents May Adversely Affect Security For the Bonds

The rights and remedies afforded to the holders of Obligations by the Master Indenture, including without limitation the right to demand acceleration of Obligations (including the Series 2025A/B/C Obligations) upon the occurrence of an event of default under the Master Indenture (including, without limitation, a payment default under the Series 2025A/B/C Obligations), may only be initiated by the holders of a majority in aggregate principal amount of the Obligations, subject to the further right of the holders of a majority in aggregate principal amount of the Obligations to direct all remedies under the Master Indenture. Upon the issuance of the Bonds, the Bond Trustee for the Bonds will be the holder of the Series 2025A/B/C Obligations. See Sections 4.02 and 4.13 in the form of the Master Indenture attached hereto as APPENDIX C.

The Master Indenture may also be amended with the consent of the holders of not less than a majority in Aggregate Principal Amount of the Obligations then Outstanding. Such amendments could be material and could result in the modification, waiver or removal of significant covenants

or restrictions, and such percentage of holders of Obligations may be comprised wholly or partially of related bond trustees or the holders of additional Obligations issued after the issuance of the Series 2025A/B/C Obligations. Certain amendments to the Master Indenture may also be made at the discretion of the Obligated Group Representative and the Master Trustee but without Obligation holder consent. See Sections 6.01 and 6.02 in the form of the Master Indenture attached hereto as APPENDIX C.

Certain amendments to the Bond Indentures and Loan Agreements may be made in the discretion of the Bond Trustee. Other amendments to the related Bond Indentures and the related Loan Agreements may be made with the prior written consent of the holders of not less than a majority of the aggregate principal amount of the related series of the Bonds. See "SUMMARY OF FINANCING DOCUMENTS — The Bond Indenture — Supplemental Indentures Requiring Consent of Owners of Bonds" in APPENDIX D.

Members of the Obligated Group May Enter into a Replacement Master Indenture

The Obligated Group Representative has the ability to cause the Master Trustee to accept the substitution of a Replacement Master Indenture for the Master Indenture upon the satisfaction of certain conditions. Similarly, under certain circumstances as provided in the Bond Indentures, the Series 2025A/B/C Obligations may be exchanged, without the consent of any of the Bondholders, for an obligation of a different obligated group. Upon such substitution, all Obligations outstanding under the Master Indenture, including the Series 2025A/B/C Obligations, would be replaced by a note or obligation issued under and entitled to the security and benefits of such Replacement Master Indenture. Other entities not in the Obligated Group may be parties to the Replacement Master Indenture. No assurance can be given that the obligated group under the Replacement Master Indenture will not be different from the Obligated Group under the Master Indenture, or that the financial condition, amount and types of debt outstanding, or results of operations of the obligated group under the Replacement Master Indenture will not be materially different. Further, the Master Indenture does not require that the Replacement Master Indenture contain covenants similar to the Master Indenture nor require that Obligations be secured by a security interest in Pledged Accounts. The covenants contained in and security provided by any such Replacement Master Indenture may be materially different than the covenants contained in and security provided by the Master Indenture. See "SECURITY FOR THE BONDS — The Master Indenture — Replacement Master Indenture" and "— Release and Substitution of Series 2025A/B/C Obligations" herein and Sections 7.03 and 7.04 in the form of the Master Indenture attached hereto as APPENDIX C.

Outstanding and Future Variable Rate Bonds Are Subject to Certain Risks Which Could Reduce Assets Available to Pay Debt Service on the Bonds

The Obligated Group has outstanding variable rate bonds, including the Series 2025C/D Bonds and other indebtedness, the interest rates on which could rise. The Obligated Group has entered into and may in the future enter into remarketing agreements and liquidity agreements to provide for the remarketing or payment of related variable rate obligations. The performance or financial condition of the remarketing agents and the liquidity banks would affect the marketability and remarketing or payment of outstanding variable rate bonds. Additionally, these liquidity

agreements and the initial bank placement interest rate modes will expire prior to the last maturity dates of the applicable variable rate bonds. If the Obligated Group is unable or chooses not to extend or replace the liquidity agreements with respect to any of the variable rate bonds issued on its behalf, if the current interest rate mode of such bonds cannot be extended, or if such bonds cannot be converted to or remarketed in a new mode, the Obligated Group would be required to provide liquidity for the payment of any such variable rate bonds that are tendered by the holders thereof, and the cash reserves of the Obligated Group would be affected until such variable rate bonds are remarketed.

In addition, the Series 2025B Bonds and the Series 2025C Bonds have no external dedicated liquidity supporting their payment on their initial mandatory tender dates, and additional bonds may be issued on behalf of the Obligated Group in the future that have no external dedicated liquidity supporting their payment on optional or mandatory tender or purchase dates. If such bonds are tendered or deemed tendered for purchase and not remarketed or reoffered, the Obligated Group would be obligated to purchase such bonds from its own funds. The Obligated Group's ability to provide self-liquidity for such bonds may be adversely impacted by a variety of factors, including a reduction in investment income and a lack of availability of external liquidity from revolving or other credit facilities.

Certain Agreements with, or Covenants with Respect to, Financial Institutions Could Affect Available Funds

Members of the Obligated Group have entered into, and may in the future enter into, (1) letters of credit, reimbursement agreements, standby bond purchase agreements, supplemental indentures or similar documents with banks providing credit and liquidity support for certain bonds issued for the benefit of the Obligated Group, (2) term loans and lines of credit with certain banks, (3) continuing covenant agreements with the purchasers of certain privately placed bonds, and (4) interest rate swap or hedge agreements with financial institution counterparties (such banks, financial institutions, and bond purchasers, collectively, the *"Financial Institutions"*). The Obligated Group's obligations to such Financial Institutions are secured, or may be secured, by Obligations issued under the Master Indenture. Such agreements described above with the Financial Institutions also contain certain covenants for the sole benefit of the related Financial Institutions (the *"Financial Institution Covenants"*). Financial Institution Covenants can be waived, modified or amended at the sole discretion of the related Financial Institutions. Failure by the Obligated Group to make payments due on the related Obligations, or failure by the Obligated Group to comply with the applicable Financial Institution Covenants, could cause an event of default under such agreements or an Event of Default under the Master Indenture, and result in the acceleration of amounts due under such agreements or of such Obligations. See Sections 4.01 and 4.02 in the form of the Master Indenture attached hereto as APPENDIX C.

Enforcement of Remedies May Be Limited or Delayed by Bankruptcy or Other Laws

The obligations of the Members of the Obligated Group under the Master Indenture and the Series 2025A/B/C Obligations are general obligations of the Members of the Obligated Group and are secured only by the security interest granted to the Master Trustee in the Pledged Accounts

of the Members of the Obligated Group. Enforcement of the remedies mentioned under the headings "SUMMARY OF FINANCING DOCUMENTS — THE BOND INDENTURE — Events of Default" and "SUMMARY OF FINANCING DOCUMENTS — THE BOND INDENTURE — Other Remedies" in APPENDIX D and in Article IV in the form of the Master Indenture attached as APPENDIX C to this Official Statement may be limited or delayed in the event of application of federal bankruptcy laws or other laws affecting creditors' rights and may be substantially delayed and subject to judicial discretion in the event of litigation or the required use of statutory remedial procedures.

If the Obligated Group were to file a petition for relief under the Bankruptcy Code, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against such Member of the Obligated Group and any interest it has in its respective property. If the bankruptcy court so ordered, Obligated Group property, including accounts receivable and proceeds thereof, could be used, at least temporarily, for the benefit of the bankruptcy estate despite the claims of its creditors.

In a case under the current Bankruptcy Code, one or more Members of the Obligated Group could file a plan of reorganization. The plan is the vehicle for satisfying, and provides for the comprehensive treatment of, all claims against such Members of the Obligated Group and could result in the modification of rights of any class of creditors, secured or unsecured. To confirm a plan of reorganization, with one exception discussed below, it must be approved by the vote of each class of impaired creditors. A class approves a plan if, of those who vote, those holding more than one-half in number and two-thirds in amount vote in favor of such plan. Approval by classes of interests requires a vote in favor of the plan by two-thirds in amount. If these levels of votes are attained, those voting against the plan or not voting at all are nonetheless bound by the terms thereof. Other than as provided in the confirmed plan, all claims and interests are discharged and extinguished. If fewer than all of the impaired classes accept the plan, the plan may nevertheless be confirmed by the bankruptcy court, and the dissenting claims and interests would be bound thereby. For this to occur, one of the impaired classes must vote to accept the plan and the bankruptcy court must determine that the plan does not "discriminate unfairly" and is "fair and equitable" with respect to the nonconsenting class or classes. The Bankruptcy Code establishes different fair and equitable tests for secured claims and interest holders. For a plan to be confirmed, the bankruptcy court must also determine, among other requirements, that it provides creditors with not less than would be received in the event of liquidation and is proposed in good faith, and that the debtor's performance is feasible.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and laws relating to fraudulent conveyances.

Interest Rate Swaps Terminated During a Period of Negative Value Could Negatively Impact Financial Condition

The Obligated Group does not currently have any interest rate swap agreements in place, but it may enter into interest rate swap agreements to hedge interest rate risk in the future. Any interest rate swap or other hedge agreement may, at any time, have a negative value to the

Obligated Group. Such agreements may also be subject to early termination upon the occurrence of certain specified events. If either the Obligated Group or the counterparty terminates such an agreement when the agreement has a negative value to the Obligated Group, the Obligated Group could be obligated to make a termination payment to the counterparty in the amount of such negative value and such payment could be substantial and potentially materially adverse to the Obligated Group's financial condition.

The occurrence of a termination event or changes in the market value of such agreements could negatively or positively impact the Obligated Group's operating results and financial condition, and such impact could be material. In the event of an early termination of a swap agreement, there can be no assurance that (1) where the swap agreement has a positive value to the Obligated Group, the Obligated Group will receive any termination payment payable to it by the respective swap counterparty, (2) where the swap agreement has a negative value to the Obligated Group, the Obligated Group will have sufficient amounts to pay a termination payment payable by it to the respective swap counterparty, and (3) in any event, the Obligated Group will be able to obtain a replacement swap agreement with comparable terms.

The Obligated Group may periodically enter into interest rate swap agreements that require it to post collateral to secure its obligations in certain circumstances. If the Obligated Group is unable to secure its obligations under such interest rate swap agreement with sufficient collateral, the swap counterparty to such swap agreement may have the right to terminate the swap agreement.

Construction Projects Are Subject to Delays or Increased Costs

Construction projects, including the Projects, are subject to a variety of risks including, but not limited to, delays in the issuance of necessary approvals or permits, strikes, shortages of materials, tariffs on materials, supply chain disruptions, adverse weather conditions, and general cost overruns. Cost overruns may occur due to change orders, delays in construction schedules, scarcity of building materials and labor, inflation and other factors. Any of the forgoing could cause completion delays or the expenditure of more funds than originally allocated.

Bond Ratings May Be Lowered or Withdrawn

There can be no assurance that the ratings assigned to the Bonds at the time of issuance will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for and marketability of the Bonds. See "An Economic Downturn or Other Unfavorable Economic Conditions Could Negatively Impact The Obligated Group's Financial Condition" above for a discussion of certain conditions that may cause re-evaluation of ratings by rating agencies. See also the information under the heading "RATINGS."

There May Not Be a Secondary Market for the Bonds

Subject to prevailing market conditions, the Underwriters intend, but are not obligated, to make a market in the Bonds. There is presently no secondary market for the Bonds and no

assurance can be given that a secondary market will develop. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so.

Maintenance of Tax-exempt Status is Dependent upon Compliance with Various Laws and Regulations

The tax-exempt status of interest on the Bonds depends, among other things, upon maintenance by the Corporation and certain other affiliates who operate facilities financed or refinanced with the proceeds of the Bonds of their status as organizations described in Section 501(c)(3) of the Code. The maintenance of such status is contingent on compliance with general rules based on the Code, Treasury regulations and judicial decisions regarding the organization and operation of tax-exempt hospitals and health systems, including their operation for charitable and other permissible purposes and their avoidance of transactions that may cause their earnings or assets to inure to the benefit of private individuals. As these general principles were developed primarily for public charities that do not conduct large-scale technical operations and business activities, they often do not adequately address the myriad of operations and transactions entered into by a modern health care organization. Although traditional activities of health care providers, such as medical office building leases, have been the subject of interpretations by the IRS in the form of private letter rulings, many activities or categories of activities have not been fully addressed in any official opinion, interpretation or policy of the IRS. The interpretation of the IRS and its position on these rules as they affect the organization and operation of health care organizations (for example, with respect to providing charity care, joint ventures, physician and executive compensation, physician recruitment and retention, etc.) are constantly evolving. The IRS can, and in fact occasionally does, alter or reverse its positions concerning tax-exemption issues, even concerning long held positions upon which tax-exempt health care organizations have relied.

In addition to violations of the Code, the IRS has asserted that tax-exempt hospitals that are in violation of Medicare and Medicaid regulations regarding inducement for referrals may also be subject to revocation of their tax-exempt status. Because a wide variety of hospital physician transactions potentially violate these broadly stated prohibitions on inducement for referrals, the IRS has broadened the range of activities that may directly affect tax-exemption, without defining specifically how those rules will be applied. As a result, tax-exempt hospitals, particularly those that have extensive transactions with physicians, are currently subject to an increased degree of scrutiny and, potentially, enforcement activities by the IRS. The policy position of the IRS is not necessarily indicative of a judicial determination of the applicable issues.

Section 4958 of the Code imposes excise taxes on "excess benefit transactions" between "disqualified persons" and tax-exempt organizations such as the Members of the Obligated Group. According to the legislative history and regulations associated with Section 4958, these excise taxes may be imposed by the IRS either in lieu of or in addition to revocation of exemption. These intermediate sanctions may be imposed in situations in which a "disqualified person" (such as an "insider") engages in "excess benefit transactions" such as (1) a transaction with a tax-exempt organization on other than a fair market value basis, (2) receipt of unreasonable compensation from a tax-exempt organization or (3) receipt of payment in an arrangement that otherwise violates the prohibition against private inurement. A disqualified person who benefits from an excess

benefit transaction will be subject to an excise tax equal to 25% of the amount of the excess benefit. Organization managers who participate in the excess benefit transaction knowing it to be improper are subject to an excise tax equal to 10% of the amount of the excess benefit, subject to a maximum penalty of $20,000 per transaction. A second penalty, in the amount of 200% of the excess benefit, may be imposed on the disqualified person (but not upon the organization manager) if the excess benefit is not corrected within a specified period of time. Fair market value and reasonable compensation for tax purposes typically reflect a range rather than a specific dollar amount, and the IRS does not rule in advance on whether a transaction results in more than fair market value payment or more than reasonable compensation to a disqualified person. Although it is not possible to predict what enforcement action, if any, the IRS might take related to potential excess benefit transactions, consistent with the legislative history of Section 4958, regulations issued by the IRS indicate that not all excess benefit transactions jeopardize exempt status. Rather, the IRS will consider all relevant facts and circumstances including: the size and scope of the organization's activities that further exempt purposes; the size, scope and frequency of any excess benefit transactions; whether the organization has implemented appropriate safeguards reasonably designed to prevent future excess benefit; and whether the organization has corrected, or made good faith efforts to correct, any excess benefit such as by obtaining repayment of the amount of any excess benefit.

The legislative history of Section 4958 is potentially favorable to taxpayers because it provides the IRS with a punitive option short of revoking tax-exempt status to deal with incidents of private inurement. However, the standards for tax-exemption have not been changed, including the requirement that no part of the net earnings of an exempt entity inure to the benefit of any private individual. Consequently, although the IRS has only infrequently revoked the tax-exemption of nonprofit health care corporations in the past, the risk of revocation remains and there can be no assurance that the IRS will not direct enforcement activities against any of the Members of the Obligated Group.

In certain cases, the IRS has imposed substantial monetary penalties and future charity care or public benefit obligations on tax-exempt hospitals in lieu of revoking their tax-exempt status, as well as requiring that certain transactions be altered, terminated or avoided in the future and/or requiring governance or management changes. These penalties and obligations are typically imposed on the tax-exempt hospital pursuant to a "closing agreement" with respect to the hospital's alleged violation of Section 501(c)(3) exemption requirements. Given the uncertainty regarding how tax-exemption requirements may be applied by the IRS, Members of the Obligated Group are, and will be, at risk for incurring monetary and other liabilities imposed by the IRS through this "closing agreement" or similar process. Like certain of the other business and legal risks described herein which apply to large multi hospital systems, these liabilities are probable from time to time for some systems in the nonprofit health care industry and could be substantial, in some cases involving millions of dollars, and in extreme cases could be materially adverse.

Section 501(r) of the Code also contains requirements for tax-exempt hospitals. Under Section 501(r), each tax-exempt hospital facility is required to (i) conduct a community health needs assessment at least every three years and adopt an implementation strategy to meet the identified community needs, (ii) adopt, implement and widely publicize a written financial assistance policy and a policy to provide emergency medical treatment without discrimination,

(iii) limit charges to individuals who qualify for financial assistance under such tax-exempt hospital's financial assistance policy to no more than the amounts generally billed to individuals who have insurance covering such care and refrain from using "gross charges" when billing such individuals, and (iv) refrain from taking extraordinary collection actions without first making reasonable efforts to determine whether the individual is eligible for assistance under such tax-exempt hospital's financial assistance policy.

In addition, the IRS is required to review information about each tax-exempt hospital's community benefit activities at least once every three years, as well as to submit an annual report to Congress with information generally regarding the levels of charity care, bad debt expenses, unreimbursed costs of government programs, and costs incurred by private tax-exempt hospitals for community benefit activities. Form 990 also includes Schedule H which hospitals and health systems must use to report their community benefit activities, including the cost of providing charity care and other tax-exemption related information. The periodic reviews and reports to Congress regarding the community benefits provided by 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 tax-exempt status and may increase IRS scrutiny of particular 501(c)(3) hospital organizations.

In general, certain failures to comply with Section 501(r) requirements may be corrected if such failures are not willful or egregious and certain correction and disclosure procedures are followed. In other circumstances, an organization's failure to meet one or more Section 501(r) requirements could endanger the organization's Section 501(c)(3) status as of the first day of the tax year in which a failure occurs. In addition, an organization may be subject to certain excise taxes if a hospital facility fails to maintain the requirements concerning community health needs assessments.

The IRS conducts audits of exempt organizations and considers a wide range of possible issues, including the community benefit standard, private inurement and private benefit, partnerships and joint ventures, retirement plans and employee benefits, employment taxes, tax-exempt bond financing, political contributions and unrelated business income. In addition, the IRS conducts compliance checks and correspondence audits that focus initially on limited issues, such as executive compensation, unrelated business income or community benefit. Such limited scope reviews can be expanded in certain circumstances to include a variety of other issues as in a Team Examination Program ("*TEP*") audit. The IRS has periodically conducted audit and other enforcement activity regarding tax-exempt health care organizations. Certain audits are conducted by teams of revenue agents, often take years to complete and require the expenditure of significant staff time by both the IRS and the audited organization.

A Member of the Obligated Group could be audited by the IRS. Management believes that the Obligated Group is in material compliance with applicable tax laws and regulations. Nevertheless, because of the complexity of the tax laws and the presence of issues about which reasonable persons can differ, a TEP or other audit could result in additional taxes, interest and penalties. A TEP or other audit also could potentially affect the tax-exempt status of any of the Members of the Obligated Group.

If the IRS were to find that a Member of the Obligated Group has participated in activities in violation of certain regulations or rulings, the tax-exempt status of such entity could be in jeopardy. Although the IRS has not frequently revoked the 501(c)(3) tax-exempt status of nonprofit health care organizations, it could do so in the future. Loss of tax-exempt status by any of the Members of the Obligated Group could result in loss of the exclusion from gross income of the interest on the Bonds and other tax-exempt obligations issued for the benefit of the Corporation and its affiliates. Any such event would have material adverse consequences on the future business or financial condition of the affected Members of the Obligated Group and, potentially, the Obligated Group as a whole. Additionally, the loss of federal tax-exempt status by a Member of the Obligated Group could adversely affect its access to future tax-exempt financing.

As described herein under the caption "TAX MATTERS," failure to comply with certain legal requirements may cause the interest on the Bonds to become included in gross income of the recipients thereof for federal income tax purposes. The Bond Indentures do not provide for the payment of any additional interest or penalty in the event the interest on the Bonds is determined to be includible in gross income for federal income tax purposes.

Miscellaneous Risk Factors

The following factors, among others, may also adversely affect the operation of health care facilities, including the Obligated Group's facilities, to an extent that cannot be determined at this time:

- Any business disruptions, business failures or bankruptcies of third-party vendors, indemnity or commercial insurers, managed care plans, or other payors on which the Obligated Group relies for services or payments.

- Cost increases without corresponding increases in revenue.

- Any termination or alteration of existing agreements with individual physicians or physician groups that render services to Obligated Group patients.

- Reduced demand for the services of hospitals resulting from decreases in population or movement of services to outpatient settings.

- An inflationary economy.

- Any inability to obtain future governmental approvals to undertake projects necessary to remain competitive as to both rates and charges as well as to quality and scope of care.

- Laws requiring particular staffing levels at medical facilities (*e.g.*, nurse-to-patient staffing ratios).

- State or federal imposition of higher minimum or living wages.

- The outcome of presidential or other political elections, or political or civil unrest.
- Climate change.
- The adoption of legislation or implementation of regulations establishing a national or statewide single-payor health program or that would establish national, statewide or otherwise regulated rates applicable to health care providers**.**

LITIGATION

The Authority

There is not now pending or, to the knowledge of the Authority, threatened any litigation restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings or authority under which they are issued. There is no litigation pending or, to its knowledge, threatened which in any manner questions the right of the Authority to enter into the Bond Indentures or the Loan Agreements or to issue the Bonds in the manner provided in the Bond Indentures and the Act.

The Obligated Group

As of the date of this Official Statement, there is no litigation, action, claim, or proceeding pending or, to the knowledge of the Obligated Group, threatened against or affecting the Obligated Group except litigation, actions, claims, or proceedings (i) in which any probable recovery against, or any costs or expenses to, the Obligated Group will be within its applicable insurance policy limits (subject to applicable deductibles or self-insurance retentions) or not in excess of the available reserves held under applicable self-insurance programs, or (ii) which, if adversely determined, would not materially adversely affect the financial position or operations of the Obligated Group, taken as a whole.

CONTINUING DISCLOSURE

The Obligated Group

The Corporation, for itself and as Obligated Group Representative on behalf of the other Members of the Obligated Group, will enter into a Continuing Disclosure Agreement for the Bonds and the Series 2025D Bonds (the "*Disclosure Agreement*") for the benefit of the holders of the Bonds and the Series 2025D Bonds to provide certain information annually and quarterly and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "*MSRB*") on the MSRB's Electronic Municipal Market Access system pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "*Rule*"). The information to be provided on an annual and quarterly basis, the events which will be noticed on an occurrence basis and the other terms of the Disclosure Agreement, including termination, amendment and remedies, are set forth in APPENDIX F hereto.

Failure by the Obligated Group to comply with the Disclosure Agreement will not constitute an event of default under the Master Indenture, the Bond Indentures or the Loan Agreements, and bondholders are limited to the remedies described in the Disclosure Agreement, as set forth in APPENDIX F hereto. Such failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds.

The Corporation has previously entered into continuing disclosure undertakings under the Rule in connection with the issuance of bonds currently outstanding (the *"Prior Undertakings"*). In the past five years, in connection with two changes of the ratings on outstanding bonds, the Corporation in one instance failed to file on EMMA a written notice of such change (although the upgraded rating was reflected on EMMA) and filed late a written notice of the second rating change.

The Corporation has procedures (the *"Compliance Procedures"*) to ensure full compliance with its continuing disclosure undertakings, including the Disclosure Agreement. The Compliance Procedures include the development of a filing schedule and calendar for internal and dissemination agent use, a checklist to compare the financial and operating information included in the filings to what is required to be filed, and the designation of the accountant in charge of financial reporting as the person responsible for the continuing disclosure filing and preparation process. In addition, the Compliance Procedures require that the Corporation's controller and its counsel review any filings prior to the submission and that the Corporation conduct a post-filing check to confirm that filings were timely and correctly made.

No Continuing Disclosure from the Authority

Inasmuch as the Bonds are special obligations of the Authority, no financial or operating data concerning it is material to any decision to purchase, hold or sell the Bonds. The Authority has not, and will not, undertake any responsibilities to provide continuing disclosure with respect to the Bonds or the security therefor, and the Authority will have no liability to holders of the Bonds with respect to any such disclosure. The Authority will not monitor the Obligated Group's compliance with the Continuing Disclosure Agreement.

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TAX MATTERS

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Code, and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Code. Interest on the Bonds is exempt from all State income taxes under present State income tax laws. For purposes of this paragraph and the succeeding discussion, "interest" includes the original issue discount on certain of the Bonds only to the extent such original issue discount is accrued as described herein.

The Code imposes several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (i) limitations as to the use of proceeds of the Bonds; (ii) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (iii) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The Authority will covenant and represent in the Bond Indentures, in reliance upon the Corporation's covenants and representations in the Loan Agreements, that it will take all steps to comply with the requirements of the Code to the extent necessary to maintain the exclusion of interest on the Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment to applicable corporations) under such federal income tax laws. Bond Counsel's opinion as to the exclusion of interest on the Bonds from gross income and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants and assumes continuous compliance therewith. The failure or inability of the Authority to comply with these requirements could cause the interest on the Bonds to be included in gross income and alternative minimum taxable income from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the Authority and the Corporation and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

With respect to the Series 2025A Bonds that were sold in the initial offering at a discount (the "*Discount Bonds*"), the difference between the stated redemption price of the Discount Bonds at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Code) will be treated as "original issue discount" for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income, alternative minimum taxable income, State taxable income under the conditions described in the preceding paragraphs. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on March 1 and September 1 with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the

preceding sentence) constitutes interest which is excluded from gross income, alternative minimum taxable income, and State taxable income under the conditions described in the preceding paragraphs and will be added to the owner's basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners who purchase Discount Bonds after the initial offering or who purchase Discount Bonds in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount Bonds. Owners who are subject to state or local income taxation (other than Idaho state income taxation) should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

Section 55 of the Code contains a 15% alternative minimum tax on the "adjusted financial statement income" of "applicable corporations" (as those terms are defined in Sections 56A and 59(k), respectively, of the Code). "Applicable corporations" are generally corporations with average annual adjusted financial statement income over a three year period of $1 billion or more. "Adjusted financial statement income" generally means the net income or loss of a corporation (including interest on the Bonds) as set forth on the corporation's applicable financial statement, adjusted as provided in Section 56A of the Code. Corporations should consult their tax advisors about whether the corporation is an "applicable corporation" and if the corporation is such an applicable corporation, about the calculation of "adjusted financial statement income" and the alternative minimum tax for the corporation.

The Code contains numerous provisions which may affect an investor's decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Code. The Bonds may be sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the Bonds from gross income and

alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The IRS has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the IRS will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures, the IRS will treat the Authority as the taxpayer and the Bondholders may have no right to participate in such procedures. The Authority and the Corporation have covenanted in the Bond Indentures and the Loan Agreements not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the Authority, the Members of the Obligated Group, the Members of the Obligated Group's counsel, the Underwriter, the Underwriter's counsel, the Municipal Advisor or Bond Counsel is responsible for paying or reimbursing any owner or Beneficial Owner of the Bonds for any audit or litigation costs relating to the Bonds.

LEGAL INVESTMENTS

The Act provides that bonds issued thereunder are securities in which the State of Idaho and all counties, cities, villages, incorporated towns and other municipal corporations, political subdivisions and public bodies, and public officers of any thereof, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, insurance companies and associations and fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control.

LEGAL MATTERS

All legal matters incidental to the authorization and issuance of the Bonds are subject to the approval of Taft Stettinius & Hollister LLP, Denver, Colorado, as Bond Counsel, whose approving opinions will be delivered with the Bonds. The proposed forms of Bond Counsel's

approving opinions related to each series of the Bonds are attached hereto as APPENDICES E-1, E-2 and E-3, respectively. Certain legal matters will be passed upon for the Corporation and the other Members of the Obligated Group by the Corporation's counsel, Norton Rose Fulbright US LLP, Denver, Colorado; for the Underwriters by their counsel, Chapman and Cutler LLP, Chicago, Illinois; and for the Authority by its counsel, Hawley Troxell Ennis & Hawley LLP, Boise, Idaho. The law firm representing the Underwriters has been designated by the Authority.

In addition to the legal representation described above, each of the law firms referred to above represents one or more of the Authority, the Members of the Obligated Group and the Underwriters from time to time with respect to matters unrelated to the Bonds.

RATINGS

The Bonds have each been assigned a rating of "A+" (stable outlook) by Fitch Ratings, Inc. and a rating of "A" (stable outlook) by S&P, in each case based upon the senior long-term unenhanced debt of the Obligated Group. These ratings reflect only the view of the rating agency assigning such ratings and are not a recommendation to buy, sell or hold the Bonds. Any explanation of the significance of such ratings may only be obtained from the rating agency that assigned such rating. There is no assurance that such ratings will continue for any given period of time or that such ratings may not be revised downward or withdrawn entirely if, in the judgment of such rating agency assigning the same, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price or the marketability of the Bonds.

UNDERWRITING

The Bonds are being purchased by J.P. Morgan Securities LLC, as representative (the *"Representative"*), on behalf of itself and Barclays Capital, Inc. (together, the *"Underwriters"*), pursuant to separate purchase contracts (each, a *"Purchase Contract"*) among the Authority, the Corporation, as Obligated Group Representative, and the Underwriters. The Series 2025A Bonds are expected to be purchased at an aggregate purchase price of $418,395,199.66, which represents the par amount of the Series 2025A Bonds, less an Underwriters' discount of $1,630,010.14, and plus a net original issue premium of $24,855,209.80. The Series 2025B Bonds are expected to be purchased at an aggregate purchase price of $100,379,329.20, which represents the par amount of the Series 2025B Bonds, less an Underwriters' discount of $361,285.50, and plus original issue premium of $8,230,614.70. The Series 2025C Bonds are expected to be purchased at an aggregate purchase price of $100,379,566.39, which represents the par amount of the Series 2025C Bonds, less an Underwriters' discount of $356,970.06, and plus original issue premium of $9,331,536.45. Each Purchase Contract provides that the Underwriters will purchase all of the related series of Bonds, if any are purchased, and contains the agreement of the Corporation, as Obligated Group Representative, to indemnify the Underwriters and the Authority against certain liabilities. The issuance of any series of the Bonds is not contingent or dependent on the issuance of any other series of the Series 2025 Bonds.

The Underwriters intend to offer the Bonds to the public initially at the prices and yields set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriters may offer and sell the Bonds to certain dealers at prices lower than the public offering prices. In connection with this offering, the Underwriters may overallot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The obligation of the Underwriters to accept delivery of the Bonds will be subject to various conditions of each Purchase Contract.

J.P. Morgan Securities LLC ("*J.P. Morgan Securities*"), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a *"Dealer Agreement"*) with each of Charles Schwab & Co., Inc. (*"CS&Co."*) and LPL Financial LLC (*"LPL"*) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from the Underwriters at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, financial management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates have, from time to time, performed and may in the future perform various investment banking services for the Authority and the Obligated Group for which it received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at times hold long or short positions in such securities and instruments. Such investment and security activities may involve securities and instruments of the Authority or the Obligated Group.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color 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 clients that they should acquire, long and/or short positions in such assets, securities and instruments.

J.P. Morgan Securities, one of the underwriters for the Bonds, is an affiliate of JPMorgan Chase Bank, N.A. ("*JPMorgan Chase Bank*"), which has other banking relationships with the Corporation. JPMorgan Chase Bank has entered into term loan agreements with the Corporation. Such term loan agreements with JPMorgan Chase Bank are secured by obligations issued under the Master Indenture. See "SECURITY FOR THE BONDS – Bank Covenants" herein for additional information.

J.P. Morgan Securities, as one of the underwriters for the Bonds, has not and will not provide any consent to the Second Amended and Restated Master Indenture. However, JPMorgan Chase Bank, as the holder of obligations issued under the Existing Master Indenture that secure such taxable term loans, is expected to consent to the Second Amended and Restated Master Indenture. See "SECURITY FOR THE BONDS – The Master Indenture – Second Amended and Restated Master Indenture; Consent of Purchaser of the Bonds" herein for additional information.

FINANCIAL STATEMENTS

The consolidated financial statements of St. Luke's Health System, Ltd. and Subsidiaries as of and for the years ended September 30, 2024 and 2023 included in APPENDIX B to this Official Statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing therein.

FINANCIAL ADVISORS

The Obligated Group has retained Kaufman, Hall & Associates, LLC ("*Kaufman Hall*"), Chicago, Illinois, a municipal advisory firm registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board, as financial advisor in connection with the issuance of the Bonds. Although Kaufman Hall has assisted in the preparation of this Official Statement, Kaufman Hall was not and is not obligated to undertake, and has not undertaken to make, an independent verification and assumes no responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

PFM Financial Advisors LLC (*"PFM"*) is serving as financial advisor to the Authority in connection with the issuance of the Bonds. In its role as financial advisor to the Authority, PFM is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the appendices hereto. PFM is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing securities.

MISCELLANEOUS

The references to the Act, the Bond Indentures, the Loan Agreements, the Master Indenture, the Series 2025 Supplemental Master Indentures, the Series 2025A/B/C Obligations and other documents referred to in this Official Statement are brief summaries of certain provisions thereof and do not purport to be complete. For full and complete statements of such provisions, reference is made to the Act, the Bond Indentures, the Loan Agreements, the Master Indenture, the Series 2025 Supplemental Master Indentures, the Series 2025A/B/C Obligations and such other documents. Copies of such documents are on file at the office of the Authority and, following original issuance of the Bonds, will be on file at the Principal Office of the Bond Trustee. The form of the Master Indenture is attached to this Official Statement as APPENDIX C.

The agreement of the Authority with the owners of the Bonds is fully set forth in the Bond Indentures, and neither any advertisement of the Bonds nor this Official Statement is to be

construed as constituting any agreement with the purchasers of the Bonds. So far as any statements are made in this Official Statement involving matters of opinion, estimates or projections, whether or not expressly stated as such, they are not to be construed as representations of fact.

The attached Appendices are integral parts of this Official Statement and must be read together with all of the foregoing statements.

The Corporation has provided the information contained herein that relates to the Obligated Group and has approved the use of this Official Statement in connection with the offering of the Bonds.

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The execution and delivery of this Official Statement has been duly authorized and approved by the Authority and the Obligated Group.

Idaho Health Facilities Authority

By: /s/ Christian Anderson
Executive Director

This Official Statement is approved:

ST. LUKE'S HEALTH SYSTEM, LTD.,
as Obligated Group Representative

By: /s/ Kate Fowler
Senior Vice President and
Chief Financial Officer

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APPENDIX A

ST. LUKE'S HEALTH SYSTEM

The information contained in this Appendix A has been obtained from St. Luke's Health System, Ltd.

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Capitalized terms used in this Appendix A, but not defined herein, have the meanings ascribed thereto in the forepart of this Official Statement.

INTRODUCTION

HEALTH SYSTEM OVERVIEW

St. Luke's Health System, Ltd. is an Idaho nonprofit corporation (the "*Corporation*"). The Corporation and its subsidiaries comprise the St. Luke's Health System (the "*Health System*" or "*St. Luke's*"), an Idaho-based healthcare system providing integrated healthcare services throughout the communities it serves.

The Health System provides comprehensive population health services, inpatient and outpatient services, rehabilitation services, and physician services. The Health System is headquartered in Boise, Idaho and operates acute care facilities, long-term care facilities and clinics, along with other various healthcare facilities.

The Health System's primary hospitals and patient service areas are located within the State of Idaho in or surrounding the cities of Boise, Meridian, Nampa, Twin Falls, Mountain Home, McCall, Jerome, and Ketchum. The Health System also operates other facilities throughout Southern Idaho and Eastern Oregon. Over the last two decades the Health System has experienced significant growth, as evidenced by total operating revenue increasing from $300 million in 2001 to $4.1 billion in 2024. St. Luke's is the largest healthcare system in Idaho and one of Idaho's largest employers.

The Health System includes an Obligated Group established under the Master Indenture. In addition to the Corporation, the other current Members of the Obligated Group are St. Luke's Regional Medical Center, Ltd. ("*SLRMC*"), St. Luke's Magic Valley Regional Medical Center, Ltd. ("*SLMV*") and St. Luke's Nampa Medical Center, Ltd. ("*SLNMC*"), all Idaho nonprofit corporations.

The Corporation is the sole corporate member of SLRMC, SLMV and SLNMC. The Corporation, SLRMC, SLMV and SLNMC are exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Corporation, SLRMC, SLMV and SLNMC are collectively referred to herein as the "*Obligated Group*" or "*Members of the Obligated Group*." Only the Members of the Obligated Group will be obligated to pay the principal of and interest on the Series 2025 Bonds described in the forepart of this Official Statement. A comprehensive description of the Members of the Obligated Group is set forth below under "THE OBLIGATED GROUP."

The Health System includes SELECT Medical Network of Idaho, Inc., doing business as St. Luke's Health Partners ("*SLHP*" or the "*Network*"), which is a wholly owned subsidiary of the Corporation but is not a Member of the Obligated Group. SLHP is a financially and clinically integrated network that allows independent physicians and facilities to partner with the Health System for purposes of administering population health. SLHP is organized to assume financial and clinical accountability in capitated arrangements. These arrangements include governmental and commercial payors, as well as self-funded employers. Under these arrangements, SLHP is

accountable for the management of health outcomes and medical spend for defined populations through value-based agreements with payors. A comprehensive description of SLHP services is included under "SUBSIDIARIES AND AFFILIATES – St. Luke's Health Partners" below.

The Health System includes St. Luke's Health Plan, Inc. (the "*Health Plan*"), which is a wholly owned subsidiary of the Corporation but is not a Member of the Obligated Group. In early 2022, the Health Plan became a managed care organization when it received a Certificate of Authority from the Idaho Department of Insurance. Starting January 1, 2023, the Health Plan's first health insurance policies became effective. The Health Plan offers a range of insurance products, including individual and group lines of business across west-central and south-central Idaho counties. The Health Plan's purpose, to connect people with affordable, hassle-free health care, directly aligns with St. Luke's long-standing commitment to improving the health of people through coordinated health care while seeking to improve affordability for patients. A comprehensive description of the Health Plan services is included under "SUBSIDIARIES AND AFFILIATES – St. Luke's Health Plan" below.

The Health System also engages in a wide range of strategic partnerships and affiliations that complement and enhance its provision of comprehensive, integrated healthcare services. See "SUBSIDIARIES AND AFFILIATES" below.

MISSION AND VISION

St. Luke's mission, "to improve the health of people in the communities we serve," is the foundation upon which St. Luke's has built Idaho's largest and most awarded healthcare organization. St. Luke's vision for the future paves the way for the evolution of the Health System to meet needs throughout the communities it serves in the decades to come.

The Health System has a history of investment in care models and services that improve health care value and provide community benefit. Over the past decade, the Health System has made important strategic investments that have diversified its community-serving businesses and services. These include expanding ambulatory care through St. Luke's Clinic, transforming and growing the Network, and establishing the Health Plan in 2022. Now positioned to operate as a fully integrated health care system spanning care delivery and insurance, the Health System achieves its mission through the following performance imperatives:



Delivering Care. Beginning in the early part of this century, the Health System quickly became a collection of associated hospitals and grew through the assembly of ambulatory clinic locations necessary to deliver integrated care and service; often these were independent practices that sought to become part of the St. Luke's organization.

Out of that group of physician practices, the Health System created St. Luke's Clinic and set about the formation of "one health system," made up of dozens of ambulatory and inpatient service lines and functions across 20 counties. St. Luke's exists to provide benefit to the community and executes on this benefit largely through care in clinics, hospitals, in the home and in a variety of other settings, including extending health care access to areas of continued growth by way of the recently completed South Nampa Clinic. Today, the Health System's resources and efforts are disciplined and focused on improving performance of care delivery. Looking into the future, this view is expanding to include a balanced approach of coordinating and funding elements of an integrated care delivery system.

Increasingly, the Health System has been dedicated to integrating care delivery in ways that are meaningful to the patient experience, enhancing access to care, and elevating commitment to safety and quality outcomes. The common integrated Electronic Health Record ("*EHR*") system and its evolution; care coordination, care navigators, and care management; retail, specialty, and infusion pharmacies; and expanded services like telehealth and home-base services, all have continued to strengthen and improve this ongoing effort. Realizing appropriate patient volumes, minimizing delivery costs, and generating margins that can sustain efficient capital and operational investments are all important to ensuring the sustainability and durability of these outcomes.

Connecting Care (the Network). The Health System does much of the work to connect services together for patients to ensure value. The Network is the vehicle by which the Health System has moved into population health, taking on accountability for the costs and outcomes of defined populations. Through this effort, the Health System has directed approximately 25% of the Health System's revenue into value-based contracts that align St. Luke's financial incentives with positive clinical patient outcomes. The Network is powered by hundreds of St. Luke's employed physicians and other medical professionals and serves and represents hundreds of other affiliated health care professionals across much of Idaho and into Eastern Oregon.

The Network plays a vital role in helping to align payment models by connecting our communities to providers who, in turn, deliver safe, high-quality, accessible, and affordable care. The Network continues to provide fuel for enhanced care models for primary care specialists by way of contracts and incentives that enable providers to shift toward practices that improve access, quality and population health outcomes, while reducing the total cost of care.

Funding Care (the Health Plan). To build upon the Network's growth in accountable lives and population health competencies such as care coordination and care navigation, the Health System created the Health Plan in 2022. The Health Plan brings the ability to set insurance premiums and design benefits to improve the overall care for our communities, further advancing the Health System's population health strategy.

The Health Plan further simplifies and streamlines the experience across the health care continuum for employers, physicians, patients and family members alike. Given the complexity of care, consumers want simplification – taking out intermediaries and reducing administrative bureaucracy for a more seamless experience. Aligning doctors and health insurance not only reduces costs but also unleashes significant potential when they collaborate effectively.

RECOGNITION AND AWARDS

St. Luke's Health System has earned numerous national recognitions for performance and expertise. Fortune/PINC AI, formerly Truven Health Analytics and IBM Watson Health, has ranked St. Luke's Boise and hereinafter defined St. Luke's Meridian among the top 50 hospitals for cardiovascular care for several years. Fortune/PINC AI also named St. Luke's one of America's 15 Top Health Systems nine times since 2009; the recognition is based on an evaluation of key performance and safety measures.

In 2024, the Centers for Medicare and Medicaid Services awarded a five-star rating to St. Luke's Boise, St. Luke's Magic Valley and hereinafter defined St. Luke's Nampa. In recent years, U.S. News & World Report has named St. Luke's Boise Idaho's top hospital and ranked the organization's pulmonology and geriatric programs among the best in America.

St. Luke's received multiple top-performer awards in recent years from Healthgrades, including the Outstanding Patient Experience Award, America's 100 Best Hospitals for Joint Replacement Care Award and the Patient Safety Excellence Award. In 2024, St. Luke's Boise was named among America's 50 Best Hospitals for Outpatient Orthopedic Surgery by Healthgrades.

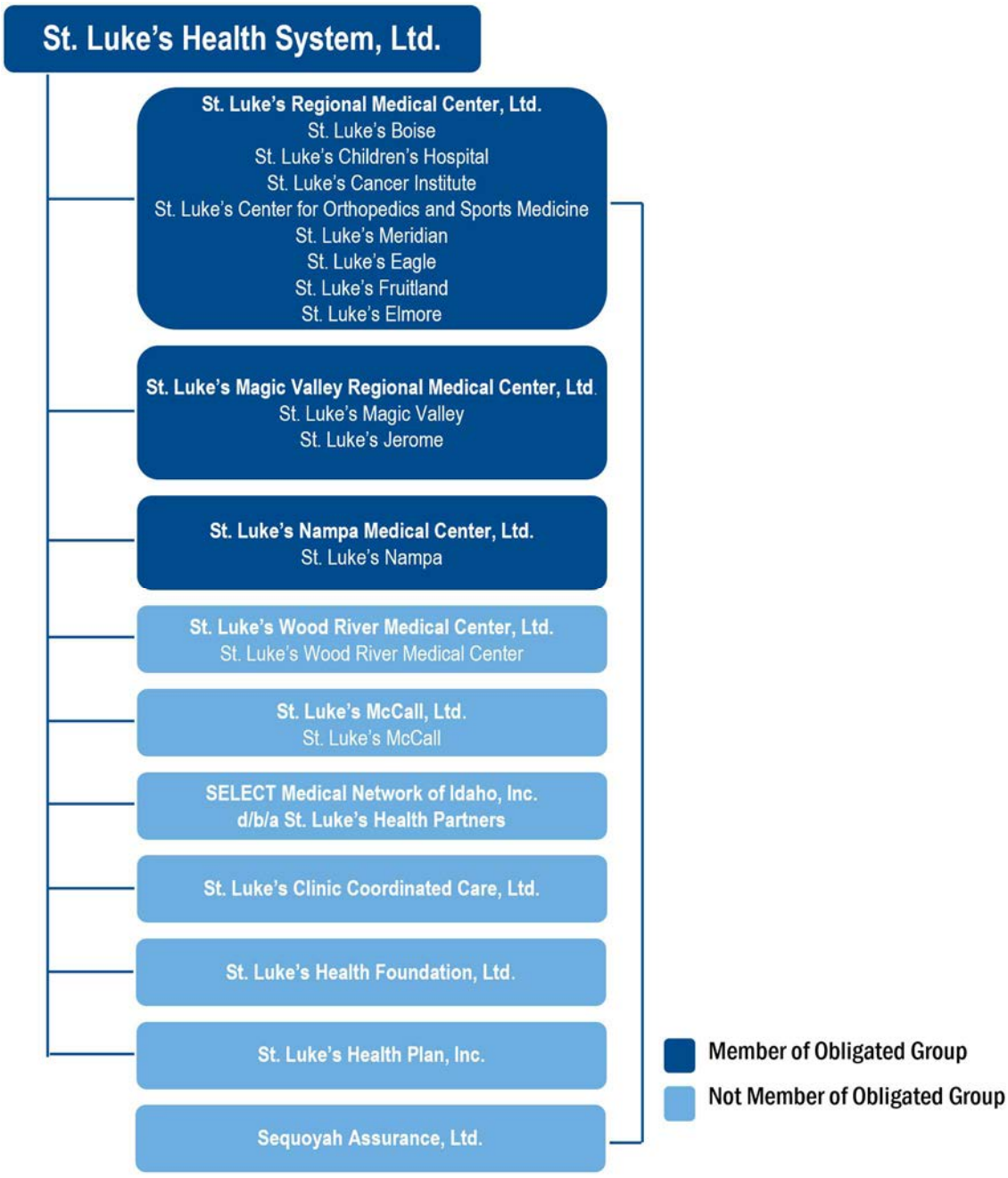
St. Luke's Boise and St. Luke's Meridian have been Magnet-designated hospitals from the American Nurses Credentialing Center for more than 20 years. The two hospitals are among only a handful in the nation to achieve the Magnet recognition five or more times; the designation is bestowed on hospitals that achieve a superior level of nursing care. St. Luke's hospitals also are routinely recognized for excellence by such organizations as Lown Hospitals Index, the American Heart Association, The Leapfrog Group, CareChex and The Joint Commission.

In addition to numerous honors for outstanding quality, care, and outcomes, St. Luke's Health System's commitment to enhancing the well-being of its workforce has resulted in consecutive Joy In Medicine honors from the American Medical Association in 2023 and 2024.

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CORPORATE ORGANIZATION

A corporate organization chart for the Health System and its related or affiliated entities is below:



Certain subsidiaries and joint ventures that are not Members of the Obligated Group are omitted from the organizational chart.

THE OBLIGATED GROUP

Currently, the Obligated Group established under the Master Indenture includes the Corporation, SLRMC (including SLRMC's operations at St. Luke's Boise, St. Luke's Children's Hospital, St. Luke's Meridian, St. Luke's Eagle, St. Luke's Fruitland, St. Luke's Elmore, St. Luke's Cancer Institute, and St. Luke's Center for Orthopedics and Sports Medicine, each as described below), SLMV (including SLMV's operations at St. Luke's Magic Valley and St. Luke's Jerome, each as described below), and SLNMC.

St. Luke's Health System, Ltd. The Corporation supports and coordinates the operations of the Health System. The Corporation is responsible for overseeing the healthcare and related services that are delivered to the communities served by the Health System and assuring that they are delivered in a manner consistent with the charitable mission of the Health System.

St. Luke's Regional Medical Center, Ltd. SLRMC owns and operates St. Luke's Regional Medical Center, located in Boise, Idaho ("*St. Luke's Boise*"). St. Luke's Boise was established in 1902 and was the only hospital owned and operated by SLRMC until 2001, when its outpatient facility located in Meridian, Idaho was expanded into a full-service community hospital known as St. Luke's Meridian Medical Center ("*St. Luke's Meridian*"). SLRMC also owns and operates St. Luke's Children's Hospital, Idaho's only children's hospital, which is located on SLRMC's main campus in Boise, Idaho. In addition, St. Luke's Elmore, St. Luke's Eagle, St. Luke's Fruitland, St. Luke's Cancer Institute, and a number of outpatient facilities, including urgent care, emergent care, ambulatory surgery centers, and a variety of physician clinics are owned and operated by SLRMC. The communities served by SLRMC stretch from Eastern Oregon to as far east as Mountain Home, Idaho. SLRMC is recognized as the region's leader in heart, cancer, women's healthcare and children's healthcare. Other major services include inpatient and outpatient surgery, 24-hour emergency services, inpatient rehabilitation, diagnostic imaging, epilepsy care, homecare and hospice, laboratory and minimally invasive surgery. The following are brief descriptions of St. Luke's Boise, St. Luke's Children's Hospital, St. Luke's Cancer Institute, St. Luke's Center for Orthopedics and Sports Medicine, St. Luke's Meridian, St. Luke's Eagle, St. Luke's Fruitland, and St. Luke's Elmore:

> *St. Luke's Boise*. St. Luke's Boise is a 650,000 square foot facility and is SLRMC's main campus. Surrounding the campus are various medical office buildings which SLRMC either is affiliated with or owns substantially all of the available space within. Most of the available space is utilized by employed physicians or leased to other physician practices. The majority of heart services in southern Idaho are provided within St. Luke's Boise's heart service line. St. Luke's Boise has 430 licensed beds as of September 30, 2024, and is the largest healthcare facility in the State of Idaho. In 2023, St. Luke's Boise expanded operation of its inpatient rehabilitation unit by doubling capacity to 38 beds, spanning two floors. St. Luke's Boise will be undergoing significant transformation in the coming years as described below in "THE PROJECTS" below.
>
> *St. Luke's Children's Hospital*. St. Luke's Children's Hospital (the "*Children's Hospital*"), occupies 140,000 square feet within SLRMC's main campus in downtown Boise, is Idaho's only children's hospital and Level II Pediatric Trauma Center. The Children's Hospital cares for thousands of children every year, including over 9,700 visits

to the pediatric emergency department and over 260,000 provider visits in fiscal year 2024. The Children's Hospital provides expert care to critically and chronically ill infants, children, and teens. These patients are routinely referred to the Children's Hospital from a multi-state region for a variety of services including cardiac care, cancer treatment, orthopedics, neurology, neurosurgery, newborn intensive care, pediatric intensive care, and rare infectious diseases. The Children's Hospital also includes the Maternal Fetal Medicine Clinic, which provides care to high-risk pregnancies in the region. More than 150 skilled pediatricians and pediatric specialists work with referring physicians from around the region to provide high-quality care for the Health System's young patients. They are joined in this effort by a staff of over 400 nurses, therapists, and a variety of other dedicated pediatric caregivers.

St. Luke's Cancer Institute. St. Luke's Cancer Institute ("*SLCI*") is a multidisciplinary, comprehensive cancer referral center for the region. SLCI conducts clinical research and operates state of the art full-service clinics, including breast cancer detection centers, in Boise, Meridian, Nampa, Fruitland, and Twin Falls, Idaho. SLCI offers multiple specialty oncology services, including clinical research, psychiatry, palliative care, surgical oncology, and integrative medicine. Additionally, SLCI is the only comprehensive blood cancer treatment center, pediatric cancer center, and hemophilia treatment center in Idaho. These programs provide complex oncology services typically found only at larger academic centers, such as autologous and allogeneic stem cell transplants, apheresis, gene therapy, and CAR T-cell therapy.

St. Luke's Center for Orthopedics and Sports Medicine. The Center for Orthopedics and Sports Medicine ("*COSM*") is a 230,000 square foot facility entirely dedicated to the delivery of comprehensive musculoskeletal care. The facility includes three floors of specialty clinics (including an orthopedic walk-in clinic and concussion clinic), an indoor/outdoor rehabilitation gym, 12 operating rooms, an extended recovery unit, advanced imaging, a retail pharmacy, and more. Approximately 350 physicians, advanced practice providers, and staff support operations on the campus. COSM opened in February 2024 and is an outpatient department of the hospital and operates under SLRMC.

St. Luke's Meridian. St. Luke's Meridian is a 550,000 square foot facility that opened as an outpatient facility in 1996 and in 2001 expanded into a full-service community hospital. St. Luke's Meridian has 157 licensed beds and is designated as a Level IV Trauma Center as of September 30, 2024. Attached to and surrounding St. Luke's Meridian are medical offices, the majority of which SLRMC operates through owned or leased space. Substantially all available space is utilized by employed physicians or leased to other physician practices. St. Luke's Meridian is located in an area of Idaho that has been one of the State's fastest growing and most densely populated areas for the past several years. St. Luke's Meridian also has the busiest emergency department in the State.

St. Luke's Eagle. St. Luke's Eagle opened in 2008 and consists of an approximately 70,000 square foot outpatient facility located in Eagle, Idaho. In addition to other services,

St. Luke's Eagle provides urgent care, family medicine, internal medicine, medical imaging, laboratory services, non-invasive cardiac and vascular services.

St. Luke's Fruitland. St. Luke's Fruitland opened in 2014 and consists of an approximately 120,000 square foot outpatient facility located in Fruitland, Idaho. In addition to other services, St. Luke's Fruitland provides emergency and urgent care, family medicine, internal medicine, medical imaging, laboratory services, non-invasive cardiac and vascular services.

St. Luke's Elmore. St. Luke's Elmore, formerly Elmore Medical Center, was founded in 1955 and has a long tradition of providing expert care to the people of Elmore and northern Owyhee counties. St. Luke's Elmore is a 60,000 square foot hospital located in Mountain Home, Idaho which is designated by the Centers for Medicare and Medicaid Services as a Critical Access Hospital ("*CAH*") providing essential healthcare services to a rural community, with 25 licensed beds as of September 30, 2024. St. Luke's Elmore operates using facilities owned by Elmore Medical Center Hospital District and leased to SLRMC. St. Luke's Elmore is a healthcare option for members of the nearby Air Force Base and also provides skilled nursing and rehabilitation care in its Long-Term Care unit, a Medicare-certified skilled nursing facility.

St. Luke's Magic Valley Regional Medical Center, Ltd. SLMV owns and operates St. Luke's Magic Valley in Twin Falls, Idaho, St. Luke's Jerome in Jerome, Idaho, and a number of outpatient facilities, including a behavioral health center and physician clinics. The communities served by SLMV's facilities stretch as far east as Burley, Idaho, and as far west as Mountain Home, Idaho. The following are brief descriptions of St. Luke's Magic Valley and St. Luke's Jerome:

St. Luke's Magic Valley. St. Luke's Magic Valley is a 500,000 square foot full-service community hospital with medical office buildings and an Outpatient Surgery Center located on the same site as the hospital. St. Luke's Magic Valley has 218 licensed beds as of September 30, 2024, and is designated as a Level III Trauma Center. It is designated by the Centers for Medicare and Medicaid Services as a Sole Community Hospital for the greater Twin Falls area. Healthcare services provided by St. Luke's Magic Valley include provider-based physician services, specialized care, imaging, laboratory, homecare and hospice, inpatient rehabilitation, adult inpatient psychiatric, and ambulatory services.

St. Luke's Jerome. St. Luke's Jerome is a 60,000 square foot hospital located in Jerome, Idaho which is designated by the Centers for Medicare and Medicaid Services as a CAH with 25 licensed beds as of September 30, 2024. St. Luke's Jerome joined the Health System in 2011. It primarily serves the Jerome County area of Idaho and is located approximately 14 miles from the primary campus of St. Luke's Magic Valley. Healthcare services include a provider based rural health clinic, imaging, lab, and ambulatory services.

St. Luke's Nampa Medical Center, Ltd. SLNMC owns and operates St. Luke's Nampa Medical Center, located in Nampa, Idaho ("*St. Luke's Nampa*"), which opened in 2012 with a three-story medical plaza with approximately 110,000 square feet. In the fall of 2017 St. Luke's

Nampa expanded and became the newest full-service community hospital in the Health System with 87 licensed beds as of September 30, 2024. St. Luke's Nampa is home to a unique care delivery model for women's services with the ability to care for Level II Neonatal Intensive Care Unit ("*NICU*") patients in the labor, delivery, recovery, postpartum suites as well as traditional NICU beds. This is the first of its kind in the Northwest. Attached to St. Luke's Nampa are medical offices containing medical practices that SLNMC owns or is affiliated with.

SUBSIDIARIES AND AFFILIATES

ST. LUKE'S HEALTH PARTNERS

Founded in 2002, SLHP is an Idaho nonprofit corporation whose sole member is the Corporation. SLHP was formed to provide a network for the coordination, delivery, and provision of comprehensive healthcare services while allowing its providers to contract as a group with third-party payors across 19 counties in Southwest Idaho and 2 counties in Eastern Oregon. As of September 30, 2024, SLHP includes over 5,100 participating providers. SLHP is not a Member of the Obligated Group.

Beginning January 1, 2017, SLHP assumed financial and clinical accountability in multiple capitated arrangements. These relationships include governmental and commercial payors, as well as self-funded employers. Under these arrangements, SLHP is accountable for the management of health outcomes and medical spend for defined populations. SLHP's ability to effectively manage the health of its population will be a determining factor in the success of its capitated contracts.

Vision and Strategy. SLHP is a financially and clinically integrated network of providers who share a vision to help its members achieve their best possible health at the lowest total cost of care. To do this, SLHP's strategy is focused on population health and value-based reimbursement contracts with payors, versus the traditional fee-for-service model of healthcare.

This strategy enables SLHP providers to work together to provide coordinated, evidence-based and data-driven care specifically designed to improve outcomes for its members and help people live healthier, more productive lives.

SLHP's approach in value care is measured and strategic. SLHP actively collaborates with payors to ensure alignment in value-based initiatives. In cases where alignment is not achievable, SLHP reduces exposure by sunsetting or modifying certain agreements to mitigate risk, while continuing to ensure adequate arrangements remain in place to serve the population who want to receive care through SLHP. These measures are designed to strengthen our financial position and enhance operational resilience in the face of shifting market dynamics.

Governance. SLHP is governed by a Board of Directors that is inclusive of representation from the Corporation and independent network participants.

Network Providers. Integral to SLHP's strategy is its vast network of providers. Of the approximately 5,100 providers in SLHP's network, roughly 1,400 are employed by or exclusively contracted with the Health System. SLHP's network provides members of its contracted health plans timely access to a complete suite of medical and surgical specialties. As of September 30, 2024, SLHP's network includes the top specialties and provider types listed below:

SPECIALTY	PROVIDERS	SPECIALTY	PROVIDERS
Family Medicine	1,007	Internal Medicine	126
Counseling	826	Pediatrics	122
Social Work	733	Dermatology	111
Psychiatric - Mental Health	213	Obstetrics and Gynecology	93
Orthopedic Surgery	173	Psychology	87

Provider Types. As of September 30, 2024, SLHP's network included 1,209 providers that are doctors of medicine or osteopathy, 826 providers that are nurse practitioners, 674 providers that are physician's assistants, 551 providers that are licensed clinical social workers, and 1,849 providers of varying other professional types.

Membership. As of September 30, 2024, SLHP managed healthcare for 293,177 individuals, distributed among a variety of lines of business. The following table provides summary membership information for SLHP by major product category:

	AS OF SEPTEMBER 30, 2024
Medicare	24,010
Medicare Advantage	50,918
Commercial Individual*	69,272
Commercial Group	43,576
Medicaid	105,401
Total	293,177

* Includes 7,948 members with the Health Plan.

- *Medicare*. SLHP is the managing entity of St. Luke's Clinic Coordinated Care ("*SLCCC*"), an accountable care organization ("*ACO*") that is wholly owned by the Corporation. SLCCC participates in the ACO Realizing Equity, Access, and Community Health Model (the "*ACO REACH Model*") established by the Centers for Medicare and Medicaid Innovation. The ACO REACH Model permits an ACO to assume full risk for a prospectively attributed patient population of Medicare fee for service beneficiaries. SLCCC commenced participation in the ACO REACH Model on January 1, 2021, and anticipates continuing participation through conclusion of the program on December 31, 2026.

- *Medicare Advantage*. In 2024, eight carriers offered Medicare Advantage ("*MA*") products in SLHP's service area covering 126,000 members, of which SLHP has accepted delegated risk for 50,918 members per the table above. Over the past three years, the Medicare Advantage penetration rate has increased from approximately 47% to 55% of total eligible beneficiaries within the SLHP footprint. In 2023 and 2024, SLHP contracted with six and five, respectively, of the carriers offering products in its service area. As the Medicare Advantage carrier landscape changes in 2025, SLHP will continue working to contract with aligned carriers.

  In light of the current environment, SLHP has effectively reduced its exposure to full-risk MA plans, decreasing from five full-risk plans in 2024 to just one in 2025. This transition was accomplished by shifting existing full-risk plans to options with less than 50% risk or upside-only risk. This strategic adjustment enables SLHP to remain active in the MA market while minimizing downside risk. Health Partners anticipates maintaining a robust MA population of 40,000 members in 2025, retaining a substantial portion of its membership despite these portfolio changes.

- *Commercial Individual*. On January 1, 2014, Your Health Idaho, the Idaho health insurance exchange (the "*Exchange*" or "*YHI*") went live. In 2024, seven carriers offered individual and small business products on the Exchange. SLHP contracted with six of the carriers offering both individual and small group products on the Exchange in 2023 and 2024.

- *Commercial Group*. SLHP's commercial group includes fully-insured and self-insured large employers.

- *Medicaid VCO.* The Idaho Department of Health and Welfare ("*IDHW*") has entered into collaborative agreements with Value Care Organizations ("*VCO*") throughout the State of Idaho to create a program that will reduce the overall cost of care in Medicaid, while advancing preventive care and promoting better health outcomes for Medicaid beneficiaries. Effective July 1, 2021, SLHP entered a VCO agreement with IDHW to take financial and clinical accountability for attributed Medicaid beneficiaries beginning January 1, 2022. As of 2024, SLHP's VCO includes 97 participating provider groups in Idaho who care for 105,401 Medicaid beneficiaries.

Programs. SLHP's core business is helping members achieve their best possible health at the lowest total cost of care. To do this, SLHP has implemented programs centered on four key levers:

- *Quality*. Establishing, measuring, and developing processes around continuous improvement for indicators that drive improvement in a member's health.

- *Complete and Accurate Documentation*. Accurately reflecting the illness burden in the population to ensure adequate resources are in place to manage member care.

- *Care Management*. Segmentation of the SLHP population with tailored programs built around the needs of the individuals, who are typically struggling with multiple chronic conditions, or deteriorating health.

- *Network Utilization*. Ensuring the most clinically appropriate use of care and ancillary services are provided in the appropriate care setting at the right time.

ST. LUKE'S HEALTH PLAN

Vision and Strategy. Since its inception, the Health Plan has focused on building better health insurance to fulfill its purpose of connecting people with affordable, hassle-free health care.

The Health Plan is accredited by the National Committee for Quality Assurance. The Health Plan offers a unique set of advantages in marketed insurance policies, including: an Idaho-born plan, a name a consumer can trust, an integrated approach, fewer pre-authorizations and referrals for most in-network care, and a benefits design that enables members to seek health care when they need it by not requiring copays for certain types of care.

Products. The Health Plan currently offers a wide range of insurance products, including individual and group lines of business, in southwestern and south-central Idaho. Individual products include offerings on the YHI insurance exchange as well as off-exchange. The group product portfolio includes small employer and large employer plans. With the first policies effective as of January 1, 2023, the Health Plan has grown to cover 7,566 individual lives and 1,161 small group lives as of September 30, 2024.

The Health Plan sells insurance products developed in-house, utilizing the expertise of an internal actuary and product development team. Health Plan leadership continues to utilize the assistance of pricing tools and external providers, such as Milliman, Inc., to ensure its products are affordable and sought after by consumers.

Integration. In order to seamlessly provide its policyholders with the best service, the Health Plan and SLHP are parties to a Network Services Agreement ("*NSA*"), under which the Health Plan procures access to SLHP's financially and clinically integrated network. Under the NSA, the Health Plan pays SLHP participating providers for claims related to services provided to the Health Plan's policyholders based on a methodology established in the NSA. A portion of the total claims payments made by the Health Plan are made to SLHP participating providers who are employed by St. Luke's Health System and SLHP participating facilities owned by the Health System.

OTHER SUBSIDIARIES

The Health System also operates two additional hospitals located in Ketchum and McCall, Idaho. They are not Members of the Obligated Group:

St. Luke's Wood River Medical Center, Ltd. ("*SLWR*") owns and operates St. Luke's Wood River Medical Center, a hospital located in Ketchum, Idaho, which is designated by the Centers for Medicare and Medicaid Services as a CAH with 25 licensed beds as of September 30, 2024. St. Luke's Wood River Medical Center opened in 2000

and serves the residents of Blaine County, Idaho and the many Sun Valley, Idaho resort visitors and second homeowners. St. Luke's Wood River Medical Center operates a 24-hour emergency department staffed by board-certified emergency room physicians, orthopedic and general surgery, obstetrics and gynecology, laboratory, x-ray, CT, MRI, nuclear medicine, 3D mammography, physical therapy, occupational therapy, and speech therapies as well as outpatient behavioral health services. SLWR also owns and operates multiple physician clinics and the organization's total campus square footage is over 200,000 square feet. The Corporation is the sole corporate member of SLWR.

St. Luke's McCall, Ltd. ("*SLM*") operates St. Luke's McCall, a hospital located in McCall, Idaho, which is designated by the Centers for Medicare and Medicaid Services as a CAH with 15 licensed beds as of September 30, 2024. St. Luke's McCall hospital facilities are owned by McCall Memorial Hospital District and leased to SLM. St. Luke's McCall is 115,000 square feet and includes a 24-hour emergency department, medical imaging, laboratory services, surgery, rehabilitation, provider-based physician services and other patient support services. SLM joined the Health System in 2010. St. Luke's McCall primarily serves Valley County, Adams County and the southwestern part of Idaho County. The McCall area is a resort destination. SLM also owns and operates multiple physician clinics. The Corporation is the sole corporate member of SLM.

STRATEGIC RELATIONSHIPS AND AFFILIATIONS

Material Joint Ventures. From time to time, the Health System participates in joint venture arrangements in corporate, partnership or limited liability company form with other institutions for specific purposes. Equity contributions to each joint venture are made by both parties, and the joint ventures are governed by operating committees or boards with representatives from each of the parties. The current significant joint venture is Broadway Park Holdings, LLC, owned 49.5% by the Health System. This joint venture owns a campus with four large office buildings and a parking garage, which are all leased to the Corporation, which allows the Corporation to bring together a number of administrative departments on one campus.

Regional Partners. Pursuant to a management services agreement, the Corporation leases an employee of the Corporation to Weiser Memorial Hospital located in Weiser, Idaho to be the Chief Executive Officer. Weiser Memorial Hospital is a not-for-profit community hospital owned by Weiser Valley Hospital District.

Strategic Relationships

Medically Home Group, Inc. ("Medically Home Group"). The Corporation has partnered with Medically Home Group to implement Idaho's only Hospital at Home ("*HaH*") care model, which is an alternative to traditional inpatient care where patients are treated for acute medical conditions in the comfort of their own home. Patients may be admitted to service directly from the emergency department or from a brick-and-mortar inpatient bed to the HaH service. This model serves to reduce inpatient bed capacity constraints related to population growth, as well as reduce readmissions and emergency department utilization. With the help of

Medically Home Group, the Corporation launched HaH services in Boise, Meridian, and Nampa, Idaho in November 2024, with the potential to expand services in Magic Valley in the next two years.

Full Circle Health. The Corporation and Saint Alphonsus Health System jointly sponsor a family medicine education residency program through Full Circle Health, formerly known as the Family Medicine Residency of Idaho/FMRI. Full Circle Health is a separate federally qualified health center and teaching health center.

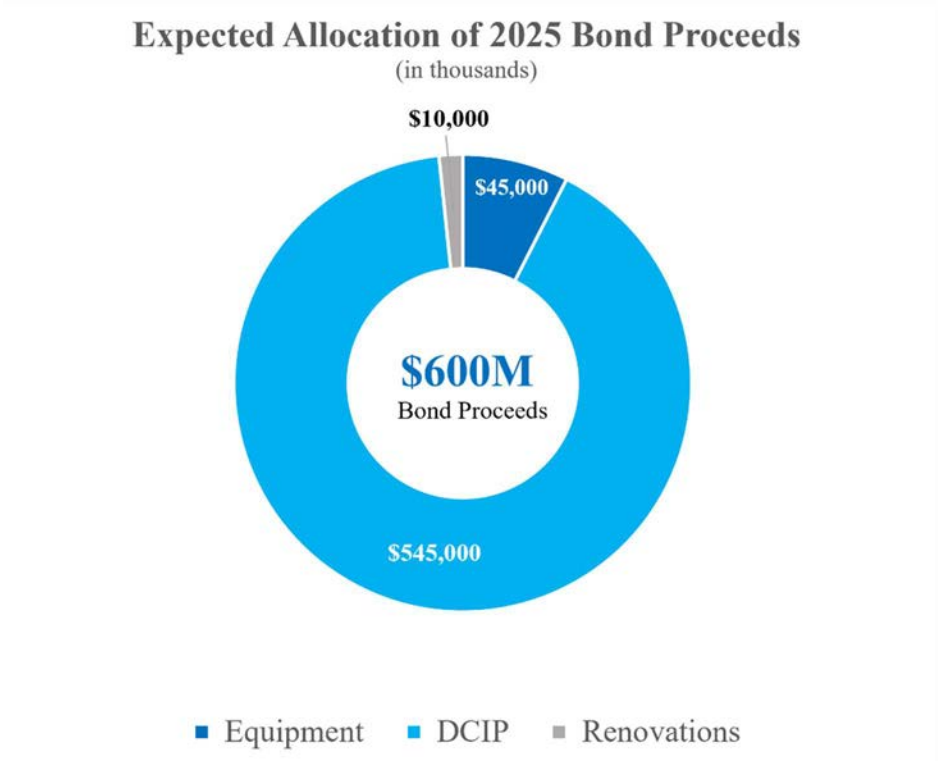
HealthTrust Purchasing Group ("HealthTrust"). The Corporation is a non-equity member of HealthTrust, a healthcare performance improvement company. HealthTrust offers supply cost advantages and provides total spend management solutions, including group purchasing and operator-designed consulting expertise in the areas of supply chain, workforce, and clinical integration to not-for-profit healthcare organizations.

YMCA. The Corporation has joined with the YMCA and other community partners on two multiuse facilities in the Treasure Valley. The Hill, a 22.5-acre campus in South Meridian, includes a YMCA as well as clinical and community programming space alongside an elementary school, a park, and other facilities. In addition, the YMCA selected St. Luke's as the healthcare partner for a new facility in Downtown Boise to replace the current YMCA. Plans for the new 100,000 square foot YMCA include integrative medicine, child development, and fitness. It will support shared healthy living programming and other resources to benefit the community.

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THE PROJECTS

The Projects that are expected to be financed with the proceeds of the Series 2025 Bonds are described below (collectively, the "*Projects*"). The expected general allocation of the total Series 2025 Bond proceeds is depicted in the graph below:



St. Luke's Downtown Campus Improvement Project. The Downtown Campus Improvement Project ("*DCIP*") represents a comprehensive and forward-thinking approach to healthcare through a multi-year investment initiative aimed at enhancing the infrastructure of St. Luke's Boise and addressing the growing demand for healthcare services in the Treasure Valley. Proceeds of the Series 2025 Bonds will be used for the construction of the North Tower, construction of the Medical Office Plaza ("*MOP*"), existing facility renovations, and equipment.

The core objective of DCIP is to create an environment that prioritizes patient safety, healing, and comfort by following the most effective and efficient practices in healthcare facility design. Guiding principles of the master plan, originally approved by the City of Boise in 2015, are based on state-of-the-art patient safety and evidence-based design. St. Luke's has received all major entitlement approvals, including zoning variances, though additional permits may be required from the City of Boise, Ada County Highway District ("*ACHD*"), and the federal government as St. Luke's moves through the project. In the near future, St. Luke's anticipates receiving approval for a letter of map revision from the federal government, finalizing the Campus Traffic Mitigation Plan with ACHD, as well as permitting from the City of Boise related to ongoing stages of the project. The Senior Principal Architect for the project is Architectural Nexus, Inc., with additional architectural and interior design from Hummel Architects, PLLC. In addition, St. Luke's has engaged a tiered approach to project oversight. This includes the support of an Owner's

Representative, Cumming Management Group Inc., to strengthen St. Luke's project delivery team, and KPMG, to offer overall project assurance to the Board of Directors on this transformational work. St. Luke's has hired a general contractor, Layton Construction Company, LLC, to manage execution of the master plan. Construction will be phased to maximize St. Luke's control of the project. Each phase will be memorialized through the confines of a guaranteed maximum price amendment. The guiding principles of DCIP are outlined below:

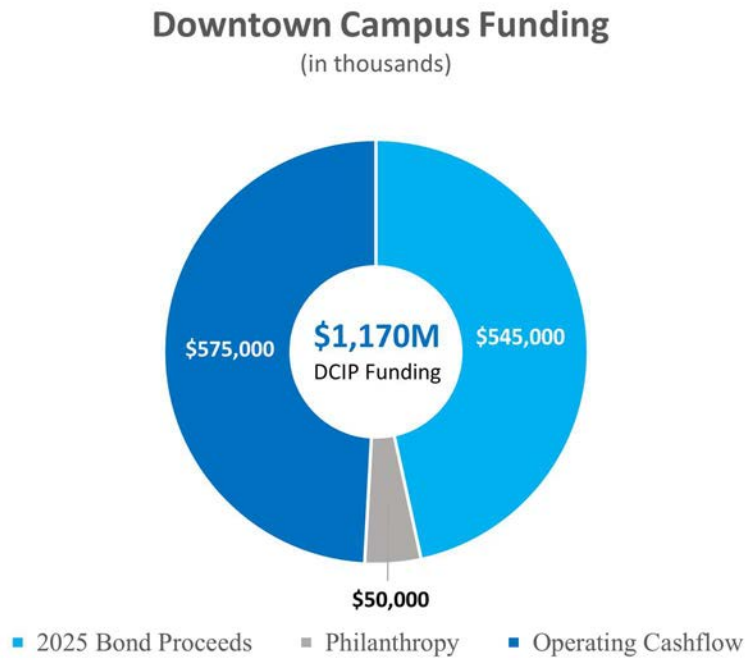
Guiding Principles
Blueprint for Development Create a development plan that will service community needs over the next several decades
Integrated Service Model Upgrade, modernize, and add capacity to downtown Boise facilities
Patient Experience Design centered around quality, safety, and enhancing the experience of the patient and their family
Community Assets Safeguard our community assets
Efficient and Effective Clinical Workflows Adapt and construct around efficient and effective clinical workflows
Major Service Line Presence and Identity Emphasize major service line presence for Heart & Vascular, St. Luke's Cancer Institute, Children's, and Neuroscience.

The aging facilities of St. Luke's Boise are a significant factor driving DCIP, with assessments showing the need for seismic and structural upgrades and existing conditions needing significant structural, mechanical, electrical, and plumbing infrastructure upgrades that require large capital expenditures. The existing infrastructure requires substantial modernization to support new technologies and improve patient care.

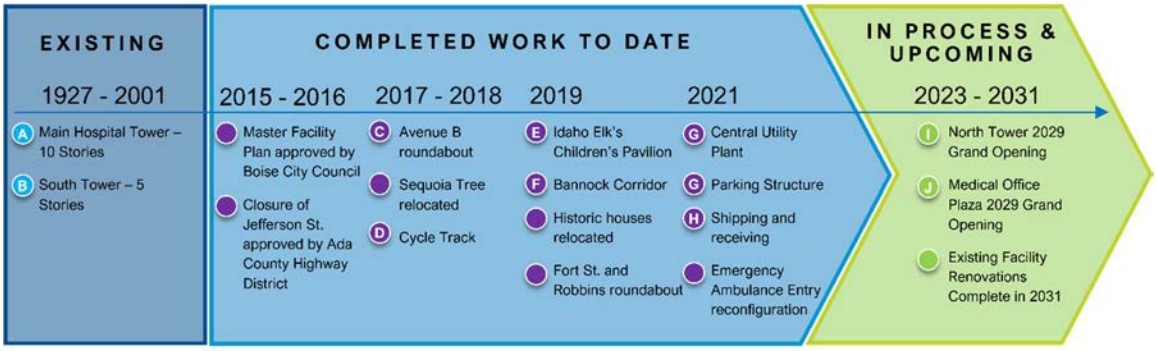
Over the years, these facilities have struggled to meet the growing healthcare demands of the community, leading to bed shortages and an inability to accommodate increasing inpatient and surgical service's needs. Idaho is one of the fastest-growing states in the country, with an expected population growth of 15% by 2033 within the St. Luke's service area, per the US Census Bureau county level population estimates through 2023. Based upon such estimates the 60+ age group, in particular, is projected to grow by 31%, driving the demand for subspecialty care. Since 2019, there has been a substantial increase in the need for tertiary and subspecialty care, with neurosurgery, thoracic surgery, vascular surgery, gynecologic oncology, and pediatric

orthopedic/general surgery services increasing by over 20%. St. Luke's Boise's expertise in these areas draws patients from a broad geographic region, contributing to core strategic capabilities recognized within the Health System and community.

The Health System has been making strategic investments in the downtown Boise area over the course of the last 5 years and plans to continue those investments for the next several years, totaling approximately $1.17 billion on DCIP. The table below depicts the status of the Health System's plans for funding of the project through operating cashflows, philanthropy, and debt:

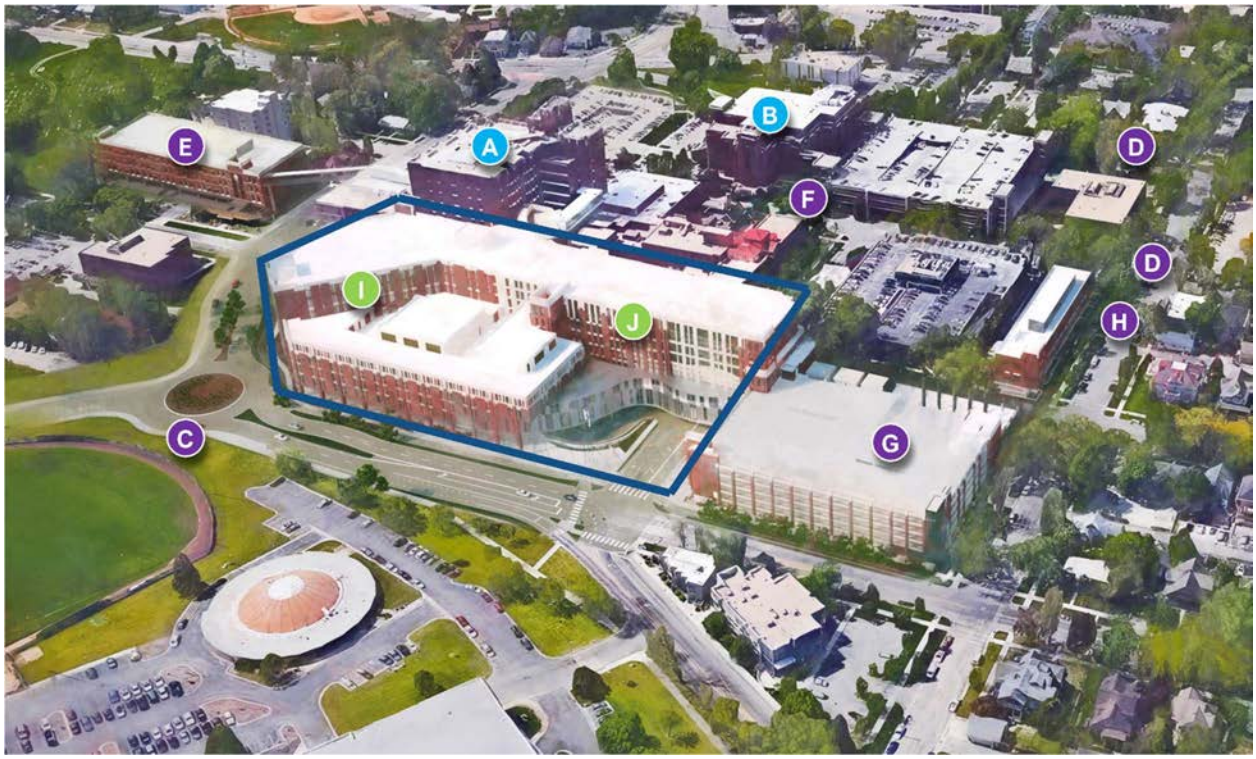


The table below provides a detailed timeline of DCIP spanning several years, identifying key phases and milestones, some complete and others underway:



Key milestones include a groundbreaking ceremony in July 2024 to mark the beginning of excavation work and setting the bridge connector structure, followed by vertical construction in 2025 and planned grand opening in 2029 for the North Tower and the MOP.

This map depicts several of the areas called out above and their location across the downtown campus:



Icons labeled I and J indicate a future rendering

DCIP will improve access to care, increase capacity, and create an efficient healthcare delivery system. It will integrate physician offices, outpatient services, and inpatient facilities, enhancing synergies and St. Luke's ability to adapt to the changing healthcare environment. DCIP includes new buildings and renovations, featuring advanced medical equipment and technology, including state of the art diagnostic tools, EHR systems, and telemedicine capabilities.

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Key components of DCIP include the construction of the North Tower, the construction of the MOP, and renovations to spaces vacated as services move to the North Tower. The North Tower will house inpatient services with 860,000 square feet of patient-centered care, including private patient rooms with capacity for 80 additional beds, private NICU rooms, 7 additional operating rooms (bringing the total number of operating rooms at St. Luke's Boise to 28), and one hybrid operating room. The North Tower will also expand pediatric capacity, improve clinician efficiency, and expand CAR T-cell therapy capabilities. Lastly, the Project creates a supportive environment for patients and their families as well as staff, with features like natural lighting, quiet areas, and wellness centers.



North Tower

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The MOP will provide space for physician offices and outpatient services. It will be integrated into the North Tower, connecting to the new patient parking garage via a skybridge over 1st Street and ensuring that patients and visitors have easy access to the full range of services being provided. It will feature 180,000 square feet designed to support a wide range of medical specialties, including women's, general surgery, neurosciences, and cardiology. This consolidation of services into one location will improve patient access to care and streamline the coordination of medical services. The parking garage has 1,097 parking spaces, providing ample parking for patients, visitors, and staff.



Medical Office

Workforce planning is a critical element to recognize DCIP's goal of improved access to care (beyond needed facility improvements). The addition of 7 operating rooms and 1 procedural room will alleviate scheduling and overutilization challenges while addressing facility limitations. This will require targeted recruitment of 2 thoracic and vascular surgeons, 3 to 5 advanced practice providers, and the addition of 155 clinical and nursing staff members. The increase in beds will require an additional 18 hospitalist and intensivist physicians, 6 advanced practice providers, and 131 nurses. Workforce planning has identified the need for 323 ancillary hires to support areas such as environmental services, food and nutrition services, internal transport, building services, and security. The MOP will consolidate existing on and off-campus clinics, minimizing the need for additional hiring in this area but also providing space for growth and expanded capacity in the future.

St. Lukes' proven track record in recruitment and robust partnerships with local educational institutions provide confidence that new roles will be successfully filled within 12 months of opening the new tower. The Health System supports recruitment through residency programs and partnerships with local schools, precepting new graduates (over 100 new graduates per year) on

an ongoing basis, and the creation of internal pipeline programs such as surgical tech and pharmacy tech apprentice programs. A proven track record of provider recruitment, seeing more than 300 hires in the last calendar year, with roughly 60% of those being net new to the system in support of growth also gives confidence in the ability to support service line growth with expanded capacity that DCIP brings. Successful management of turnover and culture are critical metrics that will ensure stable staffing during the transition. Today the Health System enjoys annualized turnover rates well below the benchmark and has seen positive response in engagement scores.

Occupancy of the North Tower will happen simultaneously following validation of systems, equipment, and processes. Importantly, some clinical areas, such as surgery, will transition in phases, as needed, to maintain continuity of patient care. Activation schedules coincide with construction activity, and there is no expected disruption of patient care during the transition to the new tower.

St. Luke's Center for Orthopedics and Sports Medicine. Funding for COSM, as described under "THE OBLIGATED GROUP" above, will be used for equipment and final stages of project completion of approximately $30 million.

Cardiac Equipment Project. Projects at various locations will replace certain cardiac monitoring equipment with new equipment for services conducted at St. Luke's Boise, St. Luke's Meridian, St. Luke's Magic Valley, St. Luke's Nampa, St. Luke's Elmore, St. Luke's Jerome, St. Luke's Eagle and St. Luke's Fruitland facilities. This portion of the Projects includes minor remodeling of existing rooms to accommodate the new equipment. Total cost of the new equipment and remodeling is approximately $15.0 million.

System Equipment Project. This project involves replacing and upgrading additional non-cardiac equipment across multiple facilities, including St. Luke's Boise, St. Luke's Meridian, St. Luke's Magic Valley, St. Luke's Nampa, St. Luke's Elmore, St. Luke's Jerome, St. Luke's Eagle, and St. Luke's Fruitland. Total cost of the new equipment is approximately $10.0 million.

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GOVERNANCE

BOARD OF DIRECTORS OF THE CORPORATION

The Corporation is governed by a Board of Directors (the "*Board*") currently with 15 voting members. The Board has overall responsibility for conducting the Health System's operations in a manner that provides high quality, cost-effective healthcare and appropriate services for the communities served, consistent with its charitable mission.

The Corporation is the sole corporate member of SLRMC, SLMV and SLNMC, and the board composition of SLRMC, SLMV and SLNMC is identical to the Board. All rights and powers to manage and direct the affairs of SLRMC, SLMV and SLNMC are reserved to the Corporation by and through the Board, except only those rights and powers, if any, (i) expressly set forth in the bylaws of SLRMC, SLMV and SLNMC, (ii) expressly required by the Idaho Nonprofit Corporation Act to be exercised by SLRMC, SLMV and SLNMC or their boards, or to be exercised by SLRMC, SLMV and SLNMC or their boards in conjunction with the Corporation or the Board, or (iii) expressly required by state or federal law or regulation or the accreditation standards of The Joint Commission to be exercised by the boards of SLRMC, SLMV and SLNMC instead of the Board.

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The current members of the Board, their respective affiliations and the expiration of their current terms are listed in the following table.

Board Member	Position	Affiliation	Year Elected	Term Expires (October)
Lisa Grow	At-large, Chair	President and Chief Executive Officer, IDACORP, Inc. and Idaho Power (Boise, Idaho)	2016	2025
Andy Scoggin	At-large, Past Chair	General Partner, StageDotO; Former Executive Vice President of HR, labor relations, public affairs and government affairs, Albertsons Companies Inc. (Boise, Idaho)	2016	2025
Emily Baker	At-large	Founder and Chief Executive Officer, Portman Square Group Communications (Boise, Idaho)	2021	2027
Tom Corrick	At-large	Retired Chief Executive Officer, Boise Cascade Company (Boise, Idaho)	2017	2026
Rosa Davila, PhD	At-large	Professor of Chemistry, College of Southern Idaho (Twin Falls, Idaho)	2021	2027
Bill Gilbert	At-large	Co-Founder and Co-CEO, Caprock (Boise, Idaho)	2022	2025
Dan Krahn	At-large	Owner, Krahn's Home Furnishings (McCall, Idaho)	2013	2025
Bob Lokken	At-large	Former Vice President of Analytics, Relias Learning; Founder, WhiteCloud Analytics and ProClarity Corporation (McCall, Idaho)	2013	2025
Laura McGeorge, MD	At-large	Retired, St. Luke's Physician (Boise and McCall, Idaho)	2024	2027
Rich Raimondi	At-large	Retired, Principal, Bishop Kelly High School (Boise, Idaho)	2013	2025
Chris Roth	Ex-officio	President/Chief Executive Officer, St. Luke's Health System, Ltd. (Boise, Idaho)	N/A	N/A
Dave Snelson	Ex-Officio, Foundation Member	Financial Advisor, Strategic Financial Group (Twin Falls, Idaho)	N/A	N/A
Jill Twedt	At-large	Sr. VP, General Counsel, Boise Cascade Company (Boise, Idaho)	2022	2025
Bill Whitacre	At-large	Retired President/Chief Executive, J.R. Simplot Company (Boise, Idaho)	2012	2026
Bill Ystueta, Jr.	At-large	Franchise Owner, Chick-fil-A (Twin Falls, Idaho)	2023	2026

CORPORATION BOARD COMMITTEES

The Corporation Board has several committees, each with specific responsibilities.

The *Audit, Risk, and Compliance Committee* oversees the selection and retention of external auditors, compliance-related matters, risk management, and the internal audit function.

The *Community Engagement Committee* oversees brand stewardship, philanthropic efforts, government relations, and community benefit objectives.

The *Culture, Workforce & Compensation Committee* guides the culture and workforce strategies and is responsible for overseeing executive and physician compensation policies, recommendations for executive salary and retirement benefits and evaluation of the President and Chief Executive Officer's performance.

The *Finance and Investment Committee* oversees the Health System's financial operations, including budget preparation, financial performance reviews, and investment policies.

The *Governance Committee* assists the Board in adopting best practices in corporate governance, reviewing governance structures, and overseeing board development and assessment processes.

The *Medical Staff Affairs Committee* oversees medical staff appointments, privileging, credentialing, and corrective actions.

The *Quality, Safety, and Service Excellence Committee* monitors quality, safety, and service excellence metrics, guides the Board in improving patient care, and oversees employee and provider experience and engagement.

CONFLICT OF INTEREST POLICY

The Corporation has adopted a conflict of interest policy and process that applies to the boards, officers, senior executives, committee members and other identified persons (each, a "*Covered Person*") of the Corporation and its subsidiaries. Each Covered Person is required to complete and submit a Conflict of Interest Acknowledgment and Statement of Interest annually. The purpose of this policy is to (i) protect the interests of the Corporation and its subsidiaries when entering into a contract, transaction or arrangement that may benefit the private interests of a Covered Person; (ii) ensure impartiality, and protect against bias, in decision-making and oversight regarding proposed contracts, transactions or arrangements involving the Corporation and its subsidiaries; (iii) clarify the duties and obligations of the Corporation, its subsidiaries and Covered Persons in the context of potential conflicts of interest, including identifying and disclosing potential conflicts of interest; and (iv) provide procedures for independent governance review, assessment and resolution of potential conflicts of interest.

DIRECTOR INDEPENDENCE POLICY

The Corporation adheres to a director independence policy. All directors must exercise independent judgment. The policy sets out the process by which the independence of the Corporation's board members is evaluated annually to assure that the organization is governed by a majority of board members who are independent with respect to their relationship to the business and executives of the Health System.

EXECUTIVE MANAGEMENT

The day-to-day management of the Corporation and the Health System has been delegated to the President and Chief Executive Officer, as well as his administrative staff. The current key members of the administrative staff and their associated resumes are:

Chris Roth, President, Chief Executive Officer (Age 53). Mr. Roth is an experienced healthcare executive providing overall leadership and strategic direction for the Health System. Mr. Roth began his healthcare career as a hospital pharmacy technician and has since gained more than 20 years of executive experience in various roles. Mr. Roth joined the Health System in 2007 and before his appointment as President and Chief Executive Officer in February 2020, Mr. Roth served as Chief Operating Officer of the Health System and, prior to that, as Chief Executive Officer of St. Luke's Regional Medical Center, which includes St. Luke's Boise and St. Luke's Meridian. His passion to make a meaningful difference in healthcare has provided him with opportunities throughout the country, in hospital, clinic and health networks including Ochsner Health System in New Orleans, Louisiana, and Northwest Hospital & Medical Center in Seattle, Washington. He is actively engaged in a variety of professional and community associations and serves as a board, council and/or committee member for multiple organizations. He holds a bachelor of science degree from Utah State University and a master's degree in healthcare administration from the University of Minnesota.

Kate Fowler, Senior Vice President, Chief Financial Officer (Age 44). Ms. Fowler is responsible for setting the direction and executing the overall financial management of the organization and related business activities to support the advancement of the Health System's strategic plans and objectives. Her executive oversight encompasses all finance, treasury and accounting functions, revenue cycle, patient access, strategic payor relations and reimbursement, and supply chain operations. Kate has been with St. Luke's for nine years, previously serving as the Vice President of Operational Finance prior to assuming her role as Chief Financial Officer in 2022. Prior to joining St. Luke's, she served as Chief Financial Officer and Chief Ethics and Compliance Officer for HCA/West Valley Medical Center in Caldwell, Idaho. Earlier in her career, she worked with Commerce Bancshares, Deloitte, LLP and Ernst & Young. Her leadership and executive experiences in health care and finance have created for her an urgency around value-based care, care management, transparency and accountability in care delivery. She received bachelor's degrees summa cum laude from the College of Idaho in accounting and business administration, and her master's in business administration summa cum laude from Northwest Nazarene University. She is a certified public accountant and a Fellow of the American College of Healthcare Executives. An Idaho native, she has remained highly engaged in her community, serving on the board for Ballet Idaho and the College of Idaho, on multiple professional boards

and with a variety of organizations and entities focused on good governance and health care management.

Sandee Gehrke, Senior Vice President, Chief Operating Officer (Age 43). Ms. Gehrke has 20 years of healthcare executive experience and has served as the Senior Vice President and Chief Operating Officer of St. Luke's Health System since 2021. In her role as Chief Operating Officer, Ms. Gehrke serves as the Chief Executive Officer of St. Luke's care facilities and ambulatory care sites, with clinical centers of excellence in oncology, orthopedics, children's, neuroscience and women's services, and provides strategic leadership for SLHP. Within St. Luke's, she has been responsible for strengthening the shared services core of the organization, leading teams across construction, patient access, facilities, laundry, environmental services, food and nutrition, security, continuous improvement, enterprise staffing, capital planning, and pharmacy to standardize and optimize performance. Prior to joining St. Luke's in 2014, Ms. Gehrke held progressive leadership positions with HCA Healthcare and served as associate administrator at Sunrise Medical Center in Las Vegas, Nevada and as Chief Operating Officer at Eastern Idaho Regional Medical Center in Idaho Falls. Born and raised in Caldwell, Idaho, Ms. Gehrke received her bachelor's degree from Idaho State University and master's degree from the University of Colorado. She remains active in and committed to university functions and student success, serving on multiple boards and funding undergraduate and graduate scholarships for health sciences students. Board-certified in healthcare management, Ms. Gehrke is a Fellow of the American College of Healthcare Executives and served as regent for the State of Idaho from 2012 to 2015. She currently serves on the Idaho Hospital Association board of directors as the Chair Elect, and as a board of director for the Women's and Children's Alliance ("*WCA*").

Jim Souza, M.D., Senior Vice President, Chief Physician Executive (Age 58). Dr. Souza has served in progressive physician leadership roles in the Health System since 2001. He is board certified in pulmonary disease and critical care medicine and continues to practice in the outpatient clinic, inpatient ICU and teleICU settings. In his Chief Physician Executive role, he is accountable for St. Luke's clinic and service line operations; the quality, safety and medical staff services teams; medical education; medical informatics leadership; the population health delivery area Chief Medical Officers; and the Office of Provider Relations. Collaborating closely with the Health System's Chief Nursing Executive and Chief Operating Officer, he is accountable for driving provider engagement and clinical performance to help the Health System achieve its value-based goals of optimal outcomes at the lowest total cost of care. Dr. Souza earned his bachelor's degree in cell biology from the University of Montana and his medical degree from the University of Washington School of Medicine. He served his residency in internal medicine and completed his pulmonary and critical care fellowship at the University of Washington and the Boise VA Medical Center. He is a recipient of the WWAMI Teacher of the Year Award and the MGMA Physician Leadership Award.

David Self, Senior Vice President and Chief Administrative Officer (Age 65). Mr. Self serves as Senior Vice President and Chief Administrative Officer. Mr. Self's role includes leadership over community health and engagement; government relations; philanthropy (St. Luke's Health System Foundation); consumer access and experience; strategic planning; and integrated health technologies, which includes data and analytics. Prior to joining St. Luke's in October 2014, Mr. Self was Senior Vice President and Regional Director of Idaho and Washington for PacificSource Health Plans. Mr. Self joined Oregon-based PacificSource in August 2009,

when the company acquired Primary Health Inc., where he was President and Chief Operating Officer. Mr. Self has an extensive background in the healthcare and employee benefits field, including 12 years with Regence Blue Shield of Idaho/Regence Blue Cross Blue Shield of Utah, where he eventually served as Vice President of Sales and Marketing for both states. He also has experience working with technology companies to develop healthcare practices and key partner relationships with companies, including Microsoft, Accenture, Deloitte Consulting and IBM Global Services. He was appointed as an original member of the State of Idaho Health Insurance Exchange (YHI) board of directors, is a past President of the Idaho Association of Health Plans and has served on numerous public and private healthcare industry committees. He has served on the boards of the Boise Valley Economic Partnership, Idaho State March of Dimes, WCA and currently on the boards of directors for the Treasure Valley Family YMCA where he serves as Chair and the Boise State University College of Business and Economics advisory council. Mr. Self studied business administration at Lewis Clark State College and earned the industry designation of Registered Health Underwriter from Northeastern University.

Christine L.S. Neuhoff, Senior Vice President, Chief Legal Officer (Age 54). Ms. Neuhoff has more than 25 years of combined legal and health care leadership experience. Since joining St. Luke's in 2008, she has developed and led the Health System's legal, compliance, governance, risk management, and internal audit teams. In her role, Ms. Neuhoff ensures St. Luke's business strategies, policies, and programs are developed and applied with appropriate consideration of legal, ethical and risk implications. She also represents St. Luke's as needed in its legislative and regulatory advocacy efforts. During the COVID-19 pandemic, Ms. Neuhoff served on the Governor's COVID-19 Vaccine Advisory Committee, as well as Idaho's Crisis Standards of Care Activation Advisory Committee. Prior to joining St. Luke's, Ms. Neuhoff practiced as in-house counsel with Shands HealthCare (now known as UF Health) where she was also responsible for government affairs. Before transitioning to healthcare, she practiced intellectual property and commercial litigation with Morrison Forester LLP in San Francisco after serving as law clerk to Chief Judge Judith N. Keep of the United States District Court for the Southern District of California. Ms. Neuhoff received her bachelor of arts in government from Dartmouth College, her juris doctor from the University of California at Berkeley, and her master of business administration from the Massachusetts Institute of Technology, Sloan School of Management. She is past chair of the board of directors of the America's Essential Hospitals Institute, the Legislative Policy Committee of the Idaho Hospital Association, the Idaho Liability Reform Coalition, and the Healthcare Subcommittee of the Idaho Association of Commerce and Industry. Ms. Neuhoff is committed to improving people's lives and to that end serves on, and has led, several boards focused on health, science, education and arts. She has received numerous awards and recognitions for her professional and community contributions.

Erin Simms, Senior Vice President, Chief Talent and People Officer (Age 43). Ms. Simms serves as St. Luke's Senior Vice President, Chief Talent and People Officer. Ms. Simms joined St. Luke's in 2013 and served as the Senior Director, HR Business Strategy prior to being promoted to her current role. Ms. Simms is responsible for all facets of human resources and focuses primarily on fostering a strong organizational culture. She is also responsible for driving the strategy related to diversity, equity and inclusion, and leads efforts related to succession planning and career pathways. Ms. Simms has been an HR leader for 15 years and has extensive experience leading HR teams in the healthcare industry. She has been involved in many of St. Luke's most complicated initiatives, including job architecture, compensation, redesign work

and organizational restructuring. Ms. Simms earned her bachelor's degree in healthcare administration and master's degree in business administration from Idaho State University. She holds a senior certified professional certification from the Society for Human Resources Management.

Elizabeth Steger, RN, NEA-BC, FACHE, Senior Vice President of Clinical Practice Integration and Chief Nursing Executive (Age 58). Ms. Steger is responsible for developing and leading efforts to innovate, integrate and improve care delivery across the Health System, helping to guide strategic direction and providing leadership in aligning multiple disciplines across all sites of care. Ms. Steger joined St. Luke's in June 2021 from OhioHealth, a not-for-profit healthcare subsidiary of the United Methodist Church, where she was Chief Nursing Officer and Vice President of Patient Care of the organization's Riverside Methodist Hospital, a 1,059-bed, Magnet-designated, tertiary care center, since 2017. Earlier in her career, she worked with Ascension Health and Baylor Health Care System, both in Texas, and with other hospitals and health organizations in Texas and North Carolina. She has experience as a clinical instructor and patient educator and is a Fellow of the American College of Healthcare Executives. She received her bachelor of science degree in nursing from the University of Mary-Hardin Baylor and her master of science degree in nursing administration from the University of Texas at Arlington.

Matt Wolff, President, St. Luke's Health Plan (Age 45). Mr. Wolff currently serves as the President of the St. Luke's Health Plan. Prior to launching the provider sponsored insurance entity in 2022, he led St. Luke's Health Partners. Since 2015, Mr. Wolff has led efforts to develop and support a more mature value-based care model for Idahoans. Mr. Wolff has held various management positions within St. Luke's Health System over the past 15 years, including financial and revenue cycle leadership. Prior to joining the healthcare industry, Mr. Wolff had entrepreneurial experience in multiple startups and worked with Deloitte, LLP in the Audit and Assurance practice. Mr. Wolff is a graduate of Boise State University with a bachelor's degree in business administration - Accountancy and a master of science in accountancy.

Amy Gonzalez, Vice President, St. Luke's Health Partners (Age 45). Ms. Gonzalez serves as Vice President of St. Luke's Health Partners. Ms. Gonzalez is responsible for creating and implementing a population health strategy and leading through collaboration with stakeholders to drive results in quality and affordability. Prior to joining SLHP in 2016, Ms. Gonzalez worked at Micron Technology, Inc., an American producer of computer memory and computer data storage, preparing public company SEC filings and solving complex technical accounting issues. Before moving to Boise, Ms. Gonzalez worked at PricewaterhouseCoopers in Boston, Massachusetts, partnering with private equity firms to perform financial due diligence and advise on the merger and acquisitions of companies spanning various industries. Ms. Gonzalez holds a bachelor's degree in business administration and accounting from Old Dominion University and earned a master's in accountancy from Syracuse University. Additionally, Ms. Gonzalez is a certified public accountant.

SERVICES

The Health System is organized to deliver services within three complementary areas of operation across Southwest Idaho and Eastern Oregon. The map below represents the overall service area and is followed by brief summaries of the Health System's operational divisions:



ACUTE SERVICES

St. Luke's provides services to the community and region to address the population's needs, including critical care and emergency medicine, pediatric and oncology care, and a comprehensive range of specialties and subspecialties. In addition, some of St. Luke's sites provide accredited trauma services, including the state's only Children's Hospital. The acute services are connected across St. Luke's footprint with the support of Air St. Luke's, which provides ground and air transport. Services in St. Luke's hospitals are bolstered by the support of virtual and telehealth technologies in key areas such as virtual ICU and tele-stroke programs.

St. Luke's Boise

St. Luke's Boise is recognized as the region's leader in heart, cancer, and women's and children's health care. This location offers nearly 150 major services, including inpatient and outpatient surgery, 24-hour emergency services, diagnostic imaging, epilepsy care, and minimally invasive surgery. St. Luke's Boise is recognized as a Magnet hospital, the gold standard for nursing excellence.



St. Luke's Meridian



St. Luke's Meridian offers nearly 100 major services, including inpatient and outpatient surgery, 24-hour emergency care, childbirth services, diagnostics from X-ray to MRI, critical care, a chest pain center, and more. St. Luke's Meridian provides convenient, quality health care for people living in the western Treasure Valley, and it is also recognized as a Magnet hospital.

St. Luke's Magic Valley

St. Luke's Magic Valley offers over 100 major services, including inpatient and outpatient surgery, 24-hour emergency services, cancer treatment, imaging, inpatient and outpatient psychiatric and addiction services, women's and children's health care, inpatient and outpatient rehabilitation, home care, hospice, and more.



St. Luke's Nampa



St. Luke's Nampa offers over 60 services including intensive care, cardiology, orthopedics, surgery, outpatient pharmacy, and breast care. St. Luke's Nampa is also home to the Family Care Unit, a labor and delivery unit with family-centered suites that are unique in the Northwest—allowing babies, including those requiring neonatal intensive care, to room in with their parents.

St. Luke's Elmore

St. Luke's Elmore offers more than 50 major services, including a 24-hour emergency department, lab and imaging services, family birthing suites, inpatient acute care, outpatient clinics and services, respiratory therapy, and a long-term care unit.



St. Luke's Jerome



St. Luke's Jerome offers nearly 50 major services and has a strong focus on emergency medicine, family medicine, geriatric care, disease prevention, and wellness.

St. Luke's Cancer Institute

SLCI brings more than 45 cancer-related major services to thousands of patients every year from its five cancer centers in Boise, Fruitland, Meridian, Nampa, and Twin Falls. SLCI also provides infusion and other cancer-related services at rural hospitals and clinics in its service area, and it offers mammography and breast care services at 13 centers and in a mobile mammography coach. SLCI is a nationally recognized leader in cancer research and home to Idaho's only children's cancer treatment center, only federally sponsored center for hemophilia, and only blood cancer center.



As described, the Obligated Group offers a full range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Obligated Group's inpatient services include all major categories of medicine and surgery.

AMBULATORY SERVICES

St. Luke's Ambulatory Services consist of a network of clinics that came together largely through independent practice integrations and organic growth, organized as St. Luke's Clinic. As of September 30, 2024, St. Luke's Clinic was in employment or professional services arrangements with more than 1,000 physicians and 500 advanced practice providers including nurse practitioners, physician assistants, and midwives. Ranging from single physicians to groups of 60 physicians in size, the more than 330 clinic locations collectively provide the full spectrum of ambulatory care, including primary care, specialty care, pediatric specialty care, urgent care and occupational health. Certain clinics include ancillary services, such as pharmacy, imaging, and laboratory services, and/or behavioral health, social work, and care navigation. Telehealth has expanded the ability of the clinics to provide additional services, such as on-demand urgent care, to patients outside of the clinics and has enabled interactions within the clinics with specialists and other providers beyond the physical footprint.

St. Luke's Center for Orthopedics and Sports Medicine



COSM, located near downtown Boise, houses orthopedic and sports medicine specialists, an orthopedic walk-in clinic, a community retail pharmacy, advanced technology and imaging, surgical services, and physical therapy and rehabilitation under the same roof. From its over 700 parking spaces to its 12 state-of-the-art operating rooms, COSM makes it possible for patients of all ages and activity levels to access the care they need in one convenient location.

HOME AND COMMUNITY BASED SERVICES

St. Luke's Health System's home and community-based services place emphasis on optimizing the patient's opportunity to receive services or self-manage their care within their homes or in their communities. Services are focused on managing advanced or chronic illness and provide supportive care through coordination with inpatient rehabilitation, skilled nursing, home care and hospice, and technologies such as remote patient monitoring, telehealth, and HaH.

Remote patient monitoring and telehealth utilize a range of care interaction models from digital solutions to close-to-home services, tailored to meet individual needs. These services collectively aim to provide comprehensive, patient-centered care in the most convenient and comfortable settings for patients.

HaH aims to enhance patient care by providing hospital-level services in the comfort of patients' homes. This initiative is designed to improve patient experience, reduce hospitalizations and readmissions, and lower healthcare costs. The program focuses on delivering timely and appropriate assessments to manage patients' conditions at home, minimizing disruption to emergency department, and ensuring focused coordination and communication with primary care providers at discharge. Consistency and standardization of care is being prioritized to meet patient goals.

Technology plays a crucial role in the HaH program, with EHR and telehealth technology being leveraged to drive efficiency and functionality. The strategic objective is to implement the HaH model system-wide, improving access to care through an interdisciplinary care team supported by various ancillary services. The program aims to grow to 20 virtual beds within the first year with the potential to build a 75 to 100 bed virtual hospital based on current patient volumes and geography.

WORKFORCE

St. Luke's is proud to have 18,200 employees, serving across the Southwest Idaho region. Despite significant challenges, including workforce shortages driven by the COVID-19 pandemic and a rapidly expanding population in Idaho, St. Luke's has remained steadfast in its intentional design choices to ensure a strong culture to differentiate our organization - one where people want to join, serve, and stay. As a result of this positive culture, the Health System has remained a

union-free organization. To effectively foster continued engagement in 2025 and beyond, the St. Luke's talent strategy will focus on five key drivers:

- *Talent and Leadership Development*: Foster an environment of continuous learning, improvement, and development that attracts, inspires and empowers excellence.

- *Employee Health and Well-Being*: Design and deliver programs to provide comprehensive benefits, services and resources that support and improve the health and well-being of the workforce and their families and ensure a safe and healthy work environment.

- *Inclusion and Belonging*: Foster an inclusive workplace where team members can thrive, feel a sense of belonging, and are valued for their diverse perspectives, experiences, and contributions.

- *Workforce Experience and Innovation*: Create an exceptional employee experience that fosters engagement, growth, and adaptability through innovative strategies, data-driven insights, and technology to prepare for the future of work.

- *Safety Together*: Create a physically and psychologically safe environment and leverage proven practices to cement our reputation as a high reliability organization.

St. Luke's has developed processes and programs focused on proactive hiring, with a heightened attention to efficiency for scaling. These programs fall into three buckets for the St. Luke's talent team, specifically:

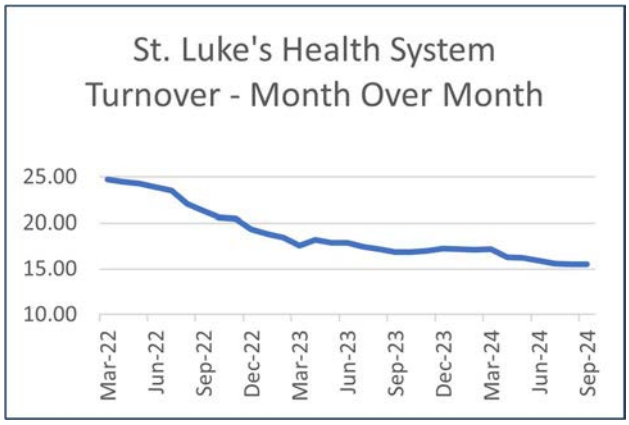
- *Technology Maturity*: St. Luke's has prioritized technology to redesign, enhance, and optimize talent attraction and retention efforts. The Health System has strategically invested in technical solutions to foster learning and development (Curio), deliberate survey solutions (Qualtrics), and recognition and rewards software (OC Tanner). Additionally, the Health System is proactively implementing a new solution (Avature) to optimize recruiter workflows, candidate experience, leader engagement, equitable hiring practices, enhanced data capabilities, and optimized sourcing functionality to include artificial intelligence (AI).

- *Strategic Sourcing Teams and Programs*: Since 2018, St. Luke's has implemented programs to evolve the sourcing and attraction footprint to foster local, regional, and national engagement. During and post-pandemic, the strategic lens has shifted for the team to address challenging labor markets, population growth, aging populations, and cost of living. The following programs are currently utilized to support these environmental factors as well as organizational growth and retention: campus recruitment programs, talent belonging and inclusion initiatives/events, military engagement, optimized referral programs, boomerang initiatives, collaborative hiring initiatives, referral programs, targeted social media campaigns and engagement, community engagement and outreach, networking events and

conferences, talent pipeline development through short-term and long-term engagement programs, and others.

- *Experience and Engagement*: St. Luke's continues to enhance its ability to attract and retain employees by effectively engaging with its people. Talent acquisition has developed protocols for facilitating strong, predictable interview experiences that engage prospective talent and leaders in meaningful discussions. Talent development and employee experience round out the employee engagement through effective onboarding, learning and development courses, leadership programs and strong recognition tools.

To date, the targeted initiatives above have resulted in a 5% increase in engagement scores tied to St. Luke's being a great place to work vs. pre-pandemic ratings. Year-over-year retention and hiring numbers have also improved, further closing vacancy rate gaps and significantly reducing reliance on agency staffing and contracted labor ("*Travelers*"). Additionally, the above programs have helped St. Luke's team reduce time to fill roles by 20+ days. The below tables highlight key performance indicators that have been positively impacted through strategic talent efforts:





To further stabilize labor in the resort communities of Wood River and McCall, Idaho, where housing is particularly scarce, St. Luke's launched an Employee Housing program that leverages community housing partners as well as assets leased directly to employees to ensure St. Luke's workforce can continue to support care in these communities.

CONSOLIDATED SERVICE CENTER

St. Luke's Health System is focusing on supply chain standardization through the implementation of a new Consolidated Service Center ("*CSC*"), a 330,000 square foot distribution center housing the core functions for supply chain and pharmacy, which is expected to be fully operational in 2025. This effort aims to achieve significant savings over the next 10 years by removing and/or significantly reducing the role that distribution intermediaries play in the Health System's $800 million-dollar annual supply and drug spend. The Corporation purchased the CSC warehouse property in October 2024 from ATSAW SL, LLC, a joint venture of which the Corporation was a 49% member.

The CSC enables transformation for both supply chain and pharmacy and the means to establish direct-to-manufacturer strategic partnerships for distribution and contracting activities. The core economic drivers behind the financial and operational benefits include: (i) sales and tracing data flow, (ii) electronic and strategic cash/prompt pay optimization, (iii) demand planning & forecasting system and ordering efficiencies, (iv) channel fees, incentives, strategic buys and consignment agreements and (v) service optimization and design integrity.

Beyond cost reduction benefits, the enhanced standardization brought about by the CSC aims to improve operational efficiency, quality, safety, and patient care. The CSC will provide greater control over the supply chain and improved visibility to inventory. The benefits of supply chain standardization include streamlined inventory management, which helps predict usage patterns more accurately and ensures the availability of the right medications and supplies at the right time. This improves turnaround times on orders, supporting timely patient care.

Standardization plays a significant role in reducing variability, which can negatively impact quality in healthcare. By standardizing supplies, the risk of errors in their use is reduced, and variation in the processing of supplies is minimized. This improves value, reduces waste, and saves money, which can be reinvested. The CSC is a critical infrastructure piece for systemwide standardization efforts.

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MEDICAL STAFF

The Obligated Group's medical staff is organized into active, associate and courtesy professional staffs. As of September 30, 2024, the active and associate professional staff included 1,490 members in various specialty groups, 1,310 of whom were board-certified.

A total of 714 of the physicians on the active and associate professional staff were employed by Members of the Obligated Group. Members of the Obligated Group also enter into contractual service arrangements with 376 other physicians in the service areas who practice in clinics that are staffed and owned by the Obligated Group. In addition, there are 400 independent physicians, and Members of the Obligated Group enter into service arrangements with them when coverage is not available from other staff members. The medical staff is charged with maintaining quality medical care, monitoring medical care, and documenting prescribed medical care.

A summary of the active and associate professional staff specialty groupings as of September 30, 2024 is presented in the following table:

SPECIALTY GROUP	TOTAL NUMBER	BOARD CERTIFIED	EMPLOYED	CONTRACTED	INDEPENDENT	ADMISSIONS	% OF ADMISSIONS[1]
Primary Care	369	343	251	30	88	28,997	48.7%
Children's	164	148	118	7	39	10,653	17.9%
Women's	74	61	28	17	29	8,847	14.8%
Surgical Sub-Specialties	268	235	62	66	140	3,906	6.6%
Heart and Vascular	74	69	52	14	8	1,972	3.3%
Neuroscience	64	58	31	26	7	1,185	2.0%
Orthopedics	107	87	32	8	67	1,059	1.8%
Specialty Care	59	50	42	1	16	1,000	1.7%
Behavioral Health	36	26	26	6	4	771	1.3%
Acute Care	148	119	51	97	-	667	1.1%
Oncology	27	26	18	8	1	541	0.9%
Laboratory	12	12	-	12	-	-	- %
Medical Imaging	88	76	3	84	1	3	- %
Total	1,490	1,310	714	376	400	59,601	100%

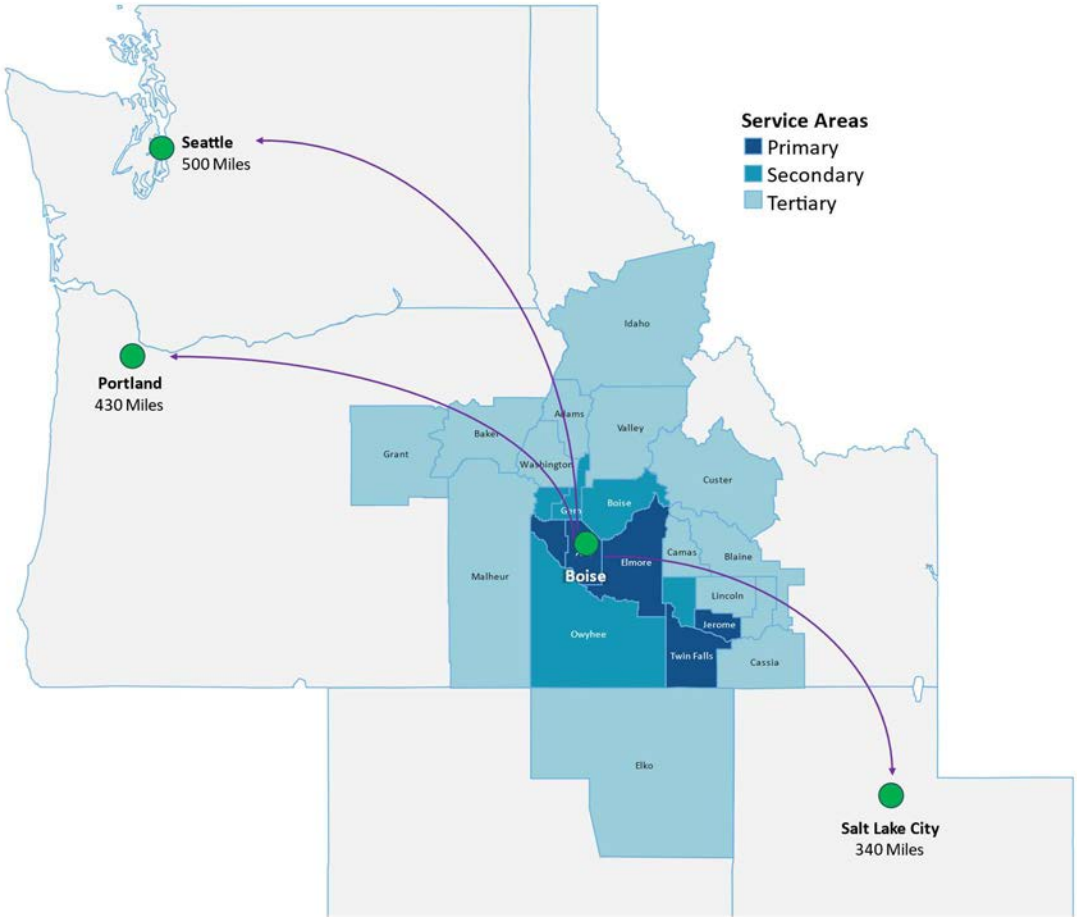
(1) Total may not foot due to rounding.

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HEALTH SYSTEM SERVICE AREA, COMPETITION AND UTILIZATION

HEALTH SYSTEM SERVICE AREA

The following map of Idaho and the surrounding states represents the overall service area of the Health System and shows the Health System's relative geographical isolation:



The Health System's primary service area is composed of Ada, Canyon, Twin Falls, Jerome, and Elmore Counties. Boise, the largest city in Idaho and the capital of the State, is located in Ada County. Boise is in the Southwest corner of Idaho and is an approximately 340-mile drive from Salt Lake City, Utah, an approximately 430-mile drive from Portland, Oregon, and an approximately 500-mile drive from Seattle, Washington.

According to the U.S. Census Bureau, the populations of Ada County, Canyon County, Twin Falls County, Jerome County, and Elmore County were 524,673, 257,674, 95,156, 25,479 and 29,724, respectively, in 2023. Approximately 80% percent of the Health System's inpatient admissions are derived from its primary service area. The secondary service area includes portions of the Idaho counties of Boise, Gem, Gooding, Owyhee and Payette. The U.S. Census Bureau reported that the combined population of the counties in the secondary service area in 2023 was 85,650. Based on U.S. Census Bureau data, the combined population of the counties in the Health

System's overall service area has grown from approximately 941,000 in 2010 to approximately 1,200,000 in 2023.

According to the U.S. Bureau of Labor Statistics, in September 2024 the unemployment rates in Boise, Twin Falls, the State of Idaho, and the United States were 3.1%, 3.6%, 3.3%, and 3.9%, respectively. Between March 2020 and September 2024, also according to the U.S. Bureau of Labor Statistics, the unemployment rate has fluctuated in Boise between 12.9% and 2.0%, in Twin Falls between 12.5% and 2.5%, in the State of Idaho between 11.5% and 2.5%, and in the United States between 14.4% and 3.1%.

For the fiscal year ended September 30, 2024, the Health System's Treasure Valley operations (including operations at St. Luke's Boise, St. Luke's Children's Hospital, St. Luke's Meridian, St. Luke's Eagle, St. Luke's Fruitland, and St. Luke's Elmore) accounted for approximately 71.2% of its gross patient revenue; its Magic Valley operations (including operations at St. Luke's Magic Valley and St. Luke's Jerome) accounted for approximately 17.4% of its gross patient revenue; its Nampa operations (including St. Luke's Nampa) accounted for approximately 8.2% of its gross patient revenue; St. Luke's Wood River Medical Center accounted for approximately 2.0% of its gross patient revenue; and St. Luke's McCall accounted for approximately 1.2% of its gross patient revenue.

The distribution of patient origin based on inpatient admissions for the fiscal year ended September 30, 2024 is detailed below:

SERVICE AREA	TOTAL INPATIENT ADMISSIONS	PERCENT[4]
Primary[1]	47,693	80.0%
Secondary[2]	3,779	6.3%
Tertiary[3]	6,337	10.6%
Other	1,792	3.0%
Total	59,601	100.0%

Source: Corporation records.

(1) Ada County, Canyon County, Twin Falls County, Jerome County, and Elmore County, Idaho, which comprise the primary service area.

(2) Represents portions of the Idaho counties of Boise, Gem, Gooding, Owyhee and Payette which comprise the secondary service area.

(3) Represents all or a principal portion of the Idaho counties of Adams, Blaine, Camas, Cassia, Custer, Idaho, Lincoln, Minidoka, Valley and Washington, areas in northern Nevada (including portions of Elko County) and areas in Eastern Oregon (including all or principal portions of Baker, Grant and Malheur Counties) which comprise the tertiary service area.

(4) Total may not foot due to rounding.

COMPETITION

The Health System's primary competitor is Trinity Health (a large multihospital national system) which has two large, general acute care facilities and other smaller facilities located in the

Health System's primary and secondary service areas, as well as CAHs in Ontario and Baker City, Oregon.

The other medical/surgical hospitals in the Health System's primary service area are West Valley Medical Center ("*West Valley*") in Caldwell, Idaho, which is 33 miles west of Boise, and Treasure Valley Hospital located in Boise, Idaho. West Valley is owned and operated by Hospital Corporation of America and Treasure Valley Hospital is a physician-owned, non-emergency hospital operated by Surgical Care Affiliates.

Within the secondary and tertiary service areas, unrelated CAHs provide hospital services, including Valor Health in Gem County, Cascade Medical Center in Valley County, and North Canyon Medical Center in Gooding County. In addition, Washington County and the surrounding area is served by Weiser Memorial Hospital, with which the Corporation has a management services agreement described under "SUBSIDIARIES AND AFFILIATES – Strategic Relationships and Affiliations."

St. Luke's Magic Valley, St. Luke's Jerome, and St. Luke's Wood River are the only full-service hospital providers in their respective counties.

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The following table sets forth certain information regarding the full-service hospitals in the Health System's service area.

	Staffed Beds[1]	Total Discharges	Percent	Patient Days	Percent	Gross Patient Revenues (000's)	Percent
St. Luke's Boise/Meridian[2]	579	37,472	41.98%	152,363	42.66%	$6,143,599	47.48%
St. Luke's Magic Valley[2]	217	13,109	14.69%	43,107	12.07%	1,482,218	11.46%
St. Luke's Nampa[2]	87	6,200	6.94%	20,350	5.70%	719,560	5.56%
St. Luke's Wood River[2][3]	25	971	1.09%	2,585	0.72%	174,050	1.35%
St. Luke's Jerome[2]	16	351	0.39%	2,551	0.71%	41,680	0.32%
St. Luke's Elmore[2]	20	905	1.01%	2,520	0.71%	111,734	0.86%
St. Luke's McCall[2][3]	15	753	0.84%	1,783	0.50%	108,024	0.83%
Total St. Luke's	959	59,761	66.94%	225,259	63.07%	$8,780,865	67.86%
West Valley[4a]	112	3,420	3.83%	12,891	3.61%	637,037	4.92%
Treasure Valley Hospital[4c]	28	233	0.26%	367	0.10%	379,359	2.93%
Total Other	140	3,653	4.09%	13,258	3.71%	$1,016,396	7.85%
Saint Alphonsus Boise	374	16,356	18.32%	84,278	23.60%	$2,088,050	16.15%
Saint Alphonsus Nampa	96	7,072	7.92%	27,588	7.73%	807,524	6.24%
Saint Alphonsus Ontario	35	1,679	1.88%	4,235	1.19%	185,475	1.43%
Saint Alphonsus Baker City	21	762	0.85%	2,499	0.70%	60,454	0.47%
Total Trinity[4b]	526	25,869	28.97%	118,600	33.22%	$3,141,503	24.29%
Grand Total	1,625	89,283	100.00%	357,117	100.00%	$12,938,764	100.00%

Source: American Hospital Directory.

(1) Numbers of staffed beds as defined under the Medicare cost report in which a bed means an adult bed, pediatric bed, birthing room, or newborn bed maintained in a patient care area for lodging patients in acute, long-term, or domiciliary areas of the hospital. Beds in labor room, birthing room, postanesthesia, postoperative recovery rooms, outpatient areas, emergency rooms, ancillary departments, nurses' and other staff residences, and other such areas which are regularly maintained and utilized for only a portion of the stay of patients (primarily for special procedures or not for inpatient lodging) are not termed a bed for these purposes.

(2) Information provided as of and for the 12 months ended September 30, 2024.

(3) St. Luke's Wood River Medical Center, Ltd. and St. Luke's McCall, Ltd., the corporations that own St. Luke's Wood River and operate St. Luke's McCall, respectively, are not members of the Obligated Group.

(4) Information provided as of and for the 12 months ended (a) September 30, 2023, (b) June 30, 2023 and (c) December 31, 2023 by American Hospital Directory which derives the information from hospitals' most recent Medicare cost reports where available utilizing the most recent available information.

Bed Complement

The following table provides an overview of the licensed bed complement for the Obligated Group as of September 30, 2024:

Bed Category	Boise Campus	Meridian Campus	Nampa Campus	Elmore Campus	Twin Falls Campus	Jerome Campus	Total Complement
Medical Surgical	192	121	48	21	98	25	505
Obstetric/Maternity/GYN	45	10	14	4	18	-	91
Pediatric	41	-	-	-	10	-	51
Intensive and Coronary Care	32	14	10	-	30	-	86
Inpatient Rehabilitation Unit	41	-	-	-	14	-	55
Pediatric Intensive Care	13	-	-	-	-	-	13
Neonatal Intensive Care	66	12	15	-	20	-	113
Psychiatric	-	-	-	-	28	-	28
Total Licensed	430	157	87	25	218	25	942
Newborn Nursery	40	20	15	6	16	-	97
Labor and Delivery	16	10	14	-	11	-	51
Cardiac Observation	12	7	-	-	9	-	28

The above bed complement is expected to expand by 70 licensed beds on the Boise Campus as a result of the DCIP project, to include an additional 7 pediatric beds, 43 medical surgical beds, and 20 intensive care unit beds.

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UTILIZATION STATISTICS

The following tables provide selected utilization statistics for the Obligated Group for the fiscal years ended:

PATIENT STATISTICS[1]	SEPTEMBER 30, 2022	2023	2024
Staffed Beds[2]	887	918	919
Admissions	41,345	42,822	49,057
Average Daily Census	546.8	543.6	568.7
Percent Occupancy[3]	61.6%	59.2%	61.9%
Average Length of Stay (days)	4.83	4.63	4.24
Patient Days	199,564	198,402	208,157

[1] All metrics exclude newborns.
[2] Excludes bassinets and labor and delivery beds.
[3] Inpatient only.

PROCEDURES AND VISITS	SEPTEMBER 30, 2022	2023	2024
Cardiac Cath. Procedures	16,293	16,210	17,482
Open Heart Surgery Procedures	607	638	759
Other Inpatient Surgery	7,875	8,354	9,065
Outpatient Surgery Procedures	36,370	39,900	39,040
Medical Imaging Procedures	579,226	598,301	613,976
Emergency Room Visits	208,699	219,115	226,865
Cancer Treatment Procedures	185,654	200,335	212,955
Newborn Deliveries	8,259	8,453	9,061
Laboratory Procedures	5,196,773	4,959,962	5,176,051

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PAYOR MIX

The following table illustrates the percentage distribution of the Obligated Group's gross patient service revenue by source of payment for the fiscal years ended:

	SEPTEMBER 30,		
	2022	2023	2024
Medicare	42%	44%	44%
Commercial	35%	35%	35%
Medicaid	17%	16%	15%
Self-Pay/Other[(1)]	6%	5%	6%
	100%	100%	100%

(1) "Other" includes revenue primarily from workers' compensation programs, county funds and other local government payment programs, and accounts for approximately 3% of gross patient service revenue for all periods presented.

FINANCIAL INFORMATION

SUMMARY FINANCIAL INFORMATION

The following summary financial information for the Corporation and subsidiaries for the fiscal years ended September 30, 2022, 2023 and 2024 is derived from the audited consolidated financial statements of the Corporation and subsidiaries. The summary financial information of the Corporation and subsidiaries appearing in the following tables should be read in conjunction with the audited consolidated financial statements of the Corporation and subsidiaries and the related notes for the fiscal years ended September 30, 2024 and 2023, which are included in Appendix B to this Official Statement and the related financial information included elsewhere in this Official Statement.

For the fiscal year ended September 30, 2024, the Obligated Group represented approximately 84% of the total operating revenue and approximately 82% of the total operating expenses of the Corporation and subsidiaries. As of September 30, 2024, the Obligated Group represented approximately 95% of the total assets and approximately 97% of the total liabilities of the Corporation and subsidiaries.

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CONSOLIDATED STATEMENTS OF OPERATIONS

(DOLLARS IN 000'S)

	AUDITED FISCAL YEAR ENDED SEPTEMBER 30,		
	2022	2023	2024
REVENUES			
Net patient service revenue	$2,339,346	$2,646,643	$2,955,672
Capitated revenue	1,158,915	1,085,084	1,034,819
Net premium revenue	-	12,066	29,639
Other revenue	181,483	176,984	120,152
Net assets released from restrictions – operating	(4,291)	(454)	(8,093)
TOTAL REVENUES	$3,675,453	$3,920,323	$4,132,189
EXPENSES			
Employee compensation and benefits	$1,785,992	$1,841,856	$1,980,321
Supplies and drugs	626,737	732,723	803,898
Medical claims	628,110	570,924	520,598
Depreciation and amortization	116,120	125,125	120,412
Interest	29,499	39,444	43,607
Other operating expenses	490,843	546,543	596,260
TOTAL EXPENSES	$3,677,301	$3,856,615	$4,065,096
NET OPERATING (LOSS) INCOME	(1,848)	63,708	67,093
Investment income	4,537	25,630	66,684
Loss on early extinguishment of debt	(144)	-	-
Loss on plan termination	-	-	(17,845)
Income taxes	-	31	(962)
REVENUE IN EXCESS OF EXPENSES ATTRIBUTABLE TO THE HEALTH SYSTEM	$ 2,545	$ 89,369	$ 114,970

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CONSOLIDATED BALANCE SHEET

(DOLLARS IN 000'S)

	AUDITED FISCAL YEAR ENDED SEPTEMBER 30,		
	2022	2023	2024
ASSETS			
Current assets:			
Cash and cash equivalents	$ 78,938	$ 75,245	$ 159,696
Receivables - net	505,070	527,717	589,105
Inventories	53,136	54,108	61,044
Prepaid expenses	41,113	43,815	44,860
Current portion of assets whose use is limited	50,751	64,842	72,842
Assets held for sale	-	4,676	-
TOTAL CURRENT ASSETS	$729,008	$770,403	$927,547
Assets whose use is limited	$989,804	$1,286,897	$1,357,887
Property, plant, and equipment – net	1,354,627	1,371,876	1,500,044
Operating lease right of use assets – net	110,796	115,331	113,476
Other Assets	62,774	69,883	58,873
TOTAL ASSETS	$3,247,009	$3,614,390	$3,957,827
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable and accrued liabilities	$234,515	$234,443	$270,491
Compensation and related liabilities	271,636	279,006	335,173
Medicare cash advances	1,743	-	-
Estimated payable to Medicare and Medicaid programs	56,897	66,260	79,505
Current portion of operating lease obligations	22,031	23,743	25,715
Current portion of long-term debt and capital leases	15,542	15,821	20,944
TOTAL CURRENT LIABILITIES	$602,364	$619,273	$731,828
Long-term debt	897,901	1,111,018	1,124,099
Operating lease obligations	90,197	92,873	88,804
Finance lease obligations	43,917	41,615	39,889
Pension liabilities	24,751	21,976	18,667
Other liabilities	1,850	1,916	2,121
Net assets:			
Net assets without donor restrictions	1,533,268	1,663,851	1,869,936
Noncontrolling ownership interest in consolidated affiliates	-	-	6,980
Net assets with donor restrictions	52,761	61,868	75,503
TOTAL NET ASSETS	$1,586,029	$1,725,719	$1,952,419
TOTAL LIABILITIES AND NET ASSETS	$3,247,009	$3,614,390	$3,957,827

Fiscal Year 2024 Compared to Fiscal Year 2023

Total revenues for the periods ended September 30, 2024 and 2023 were $4.1 billion and $3.9 billion respectively, an increase of 5.4%. The increase in revenues is attributable to increased reimbursement across various services along with higher patient volumes, including more patient days, births, emergency department visits, and outpatient visits. This trend is observed in professional services, hospital inpatient services, and hospital outpatient services throughout the year. See "HEALTH SYSTEM SERVICE AREA, COMPETITION AND UTILIZATION – Utilization Statistics" above for Obligated Group utilization information.

Total capitated revenues decreased slightly from $1.1 billion in 2023 to $1.0 billion in 2024. This decrease is due to effective management of at-risk contracting arrangements. By shifting certain full-risk plans to options with less than 50% risk or upside-only risk, SLHP remains active in certain markets while minimizing downside risk.

Total operating earnings before depreciation, amortization and interest were $231.1 million and $228.3 million for September 30, 2024, and 2023, respectively, representing operating margins of 5.6% and 5.8%. In 2024, SLHS faced lower-than-expected savings from the 340B Drug Pricing Program, which resulted in a shortfall in pharmacy revenue, and unexpected losses in MA, while also making strategic investments in new initiatives to launch HaH and prepare to open the CSC. Despite these factors, strong margins were maintained through labor management improvements and spend reduction efforts.

Overall, the Health System experienced greater volumes in both patient days and admissions (4.9% and 14.5%, respectively) in 2024 as compared to 2023. See "HEALTH SYSTEM SERVICE AREA, COMPETITION AND UTILIZATION – Utilization Statistics" above for Obligated Group utilization information.

Investment income for the periods ended September 30, 2024, and 2023 were $66.7 million and $25.6 million respectively, an increase of 160%. Increase was due to additional investments earning interest, positive market fluctuations during the period and realized gains from strategic sales through the year.

Total days of unrestricted cash at September 30, 2024 increased to 147.2 from 136.5 when compared to September 30, 2023, primarily due to working capital changes associated with increases in net receivables, as financing and investing activities have not exceeded free cash flow provided by operations.

Net patient accounts receivable increased from $451.9 million at September 30, 2023, to $510.0 million at September 30, 2024. Days in accounts receivable increased slightly to 53.0 as of September 30, 2024, compared to 52.8 as of September 30, 2023.

Fiscal Year 2023 Compared to Fiscal Year 2022

Total revenues for 2023 and 2022 were $3.9 billion and $3.7 billion respectively, an increase of 6.7%. The increase in total revenue is attributable to increased reimbursement across various services along with higher patient volumes, including more patient days, births, emergency department visits, and outpatient visits. This trend is observed in professional services, hospital inpatient services, and hospital outpatient services throughout the year.

Total operating earnings before depreciation, amortization and interest were $228.3 million and $143.8 million in fiscal year 2023 and 2022, respectively, representing operating margins of 5.8% and 3.9%. The increase in earnings is due to our hospitals seeing more patients and greater demand for services. This resulted in consistent and steady revenues, as higher system-wide volumes generated higher net patient service revenue.

Investment income increased to $25.6 million for fiscal year 2023 compared to $4.5 million for fiscal year 2022. Increase is due an overall increase in our invested assets along with positive market fluctuations during the period.

Interest expense increased $9.9 million in fiscal year 2023 compared to fiscal year 2022 mostly due to an increase in variable interest rates in the market.

Net patient accounts receivable increased to $451.9 million as of September 30, 2023, compared to $443.2 million as of September 30, 2022. Days in accounts receivable improved to 52.8 as of September 30, 2023, compared 55.3 as of September 30, 2022.

CAPITAL EXPENDITURES

The Health System consistently considers its strategic future capital expenditures which are intended to expand services provided to the communities it serves. Capital expenditures amounted to $187.1 million, $135.0 million, and $185.7 million for the fiscal years ended September 30, 2024, 2023 and 2022, respectively. The Health System's average age of plant was 13.8, 12.8, and 12.8 years for the fiscal years ended September 30, 2024, 2023 and 2022, respectively.

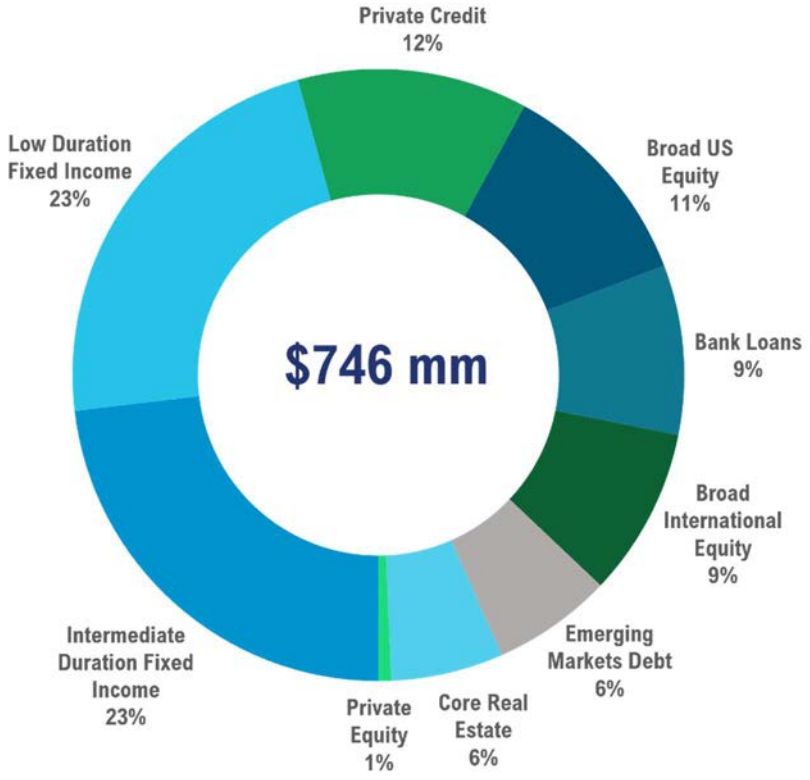
The aggregate projected capital expenditures for the next four years ending September 30, 2028 are anticipated to be approximately $1.3 billion. Management anticipates capital expenditures to be primarily financed with operating cash flow, investment income or philanthropy. Outside of the Series 2025 Bonds, no additional debt is planned, subject to market and other conditions. The largest portion of the expenditure is anticipated to be on DCIP previously described.

The Health System has historically funded its capital needs with a combination of operating cash flow, investment income, philanthropy, and bond proceeds. The actual undertaking of any construction project or equipment purchase program is dependent on a number of factors, including the financial position and financial performance of the Health System. Therefore, the actual amount of capital expenditure made in any period may vary considerably from the amount anticipated.

INVESTMENTS AND LIQUIDITY

Investments. The Health System's long-term and short-term investment portfolios are managed according to investment policies adopted by the Health System and based on overall investment objectives. Board designated funds are investments established by the Board for strategic future capital expenditures intended to expand or preserve services provided to the communities the Health System serves. All investments are recorded using settlement date accounting. Investment income and gains (losses) on investments whose use has not been restricted by the donor, including unrestricted income from endowment funds, are reported as part of investment income. Investment income and gains (losses) on investments whose income has been restricted by the donor are recorded as increases (decreases) to temporarily or permanently restricted net assets. The Corporation invests a large majority of Board designated funds and excess cash in short-term, fixed income securities, with a conservative portion allocated to domestic and international equity securities. The Corporation's investment strategy for Board designated funds is considered conservative when compared to peers in the healthcare industry. As of September 30, 2024, substantially all amounts in Board designated funds could be liquidated within 30 days.

The following graphic represents the allocation of Health System managed investments by class of securities as of September 30, 2024.



Liquidity and Days Cash on Hand. The following table presents the Obligated Group's liquidity position as of:

LIQUIDITY AND DAYS CASH ON HAND

	SEPTEMBER 30,		
	2022	2023	2024
	(DOLLARS IN 000'S)		
Cash and Short-Term Investments	$ 74,805	$ 63,147	$ 149,225
Current Portion of Assets Whose Use is Limited	50,751	64,842	72,842
Restricted Cash	83,560	32,015	4,069
Board Designated Funds	848,283	1,162,613	1,209,818
Total Cash and Investments	1,057,399	1,322,617	1,435,954
Less: Restricted Investments	(83,560)	(32,015)	(4,069)
Total Unrestricted Cash and Investments	$ 973,839	$1,290,602	$1,431,885
Days Cash on Hand[(1)]	126	156	162

(1) Days Cash on Hand is calculated as unrestricted cash and investments divided by ((annual operating expenses less depreciation) divided by the number of days for the applicable period).

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Outstanding Debt. The following table presents the Obligated Group's outstanding debt position as of September 30, 2022, 2023 and 2024 assuming the issuance of the Series 2025 Bonds and the implementation of the plan of finance described under "PLAN OF FINANCE" in the forepart of this Official Statement.

	SEPTEMBER 30,			PRO FORMA[1]
	2022	2023	2024	
	(DOLLARS IN 000'S)			
Total Debt[2][3][4]				
Variable Rate Bonds[5][6][7]	$ 143,760	$ 218,760	$ 218,760	$ 453,785
Fixed Rate Bonds	685,015	853,740	847,195	1,081,585
Total Debt	$ 828,775	$ 1,072,500	$ 1,065,955	$ 1,535,370
Unrestricted Net Assets[8][9]	$ 1,434,489	$ 1,555,010	$ 1,809,387	$ 1,809,387
Total Capitalization	$ 2,263,264	$ 2,627,510	$ 2,875,342	$ 3,344,757
Total Debt to Total Capitalization	37%	41%	37%	46%
Total Unrestricted Cash and Investments to Variable Rate Bonds	677%	590%	655%	316%

(1) Includes the issuance of the Series 2025 Bonds and excludes the Series 2014A Bonds, the Series 2018D Bonds, and the hereinafter defined 2022A Taxable Term Loan.

(2) Excludes indebtedness secured by a building in connection with a minority interest joint venture held by the Corporation. Amounts outstanding as of September 30, 2022, 2023 and 2024 were $0, $0, and $32,777,000 respectively. The associated building was purchased, and such debt was paid off by the Corporation during the first quarter of fiscal year 2025.

(3) Excludes finance lease obligations of the Members of the Obligated Group. Amounts outstanding for such finance lease obligations as of September 30, 2022, 2023 and 2024 were $46,027,000, $43,721,000, and $41,377,000, respectively.

(4) The Corporation maintains a general-purpose unsecured line of credit in the amount of $60,000,000. As of the date of this Official Statement, no amounts are drawn under that line of credit.

(5) The Series 2018C Bonds are, and the Series 2025D Bonds will be issued as, variable rate demand bonds that are subject to mandatory tender for purchase upon the occurrence of certain events contained in the bond indentures related to such bonds, including the stated termination date of the credit facilities related to such bonds. If such bonds are not able to be remarketed or converted to a different interest rate mode, the Corporation will be obligated to purchase such bonds. The Series 2018C Bonds will be subject to mandatory tender for purchase upon the stated expiration date of the credit facility related to the Series 2018C Bonds, which stated expiration date is expected to be extended to June 30, 2028 on the date of issuance of the Series 2025 Bonds, and the Series 2025D Bonds will be subject to mandatory tender for purchase on February 12, 2030, upon the expected initial stated expiration date of the credit facility related to the Series 2025D Bonds. See "BONDHOLDERS' RISKS – Outstanding and Future Variable Rate Bonds Are Subject to Certain Risks Which Could Reduce Assets Available to Pay Debt Service on the Bonds" in the forepart of this Official Statement.

(6) The Series 2025B and 2025C Bonds will be issued as term rate bonds and are assumed to be variable rate for the purposes of this table. The Series 2025B and 2025C Bonds will be subject to mandatory tender for purchase on March 1, 2032 and March 1, 2035, respectively.

(7) The Series 2025E Bonds will be issued as variable rate direct purchase bonds subject to mandatory tender for purchase upon the occurrence of certain events described in the bond indenture related to the Series 2025E Bonds. The expiration date of the initial interest rate mode with respect to the Series 2025E Bonds is anticipated to be on February 3, 2031. If the Corporation is unable to renew the Series 2025E Bonds with the current or a subsequent direct placement bank purchaser, or to convert the Series 2025E Bonds to a different interest rate mode, the Corporation will be obligated to purchase such Series 2025E Bonds.

(8) Excludes unamortized bond premium of $45,407,000, $43,508,000, and $41,578,000 as of September 30, 2022, 2023, and 2024 respectively.

(9) Pro Forma Unrestricted Net Assets are assumed to remain unchanged for purposes of this calculation.

Long-Term Indebtedness. Following the issuance of the Series 2025 Bonds, long-term indebtedness secured by the Obligated Group under the Master Indenture will consist of the Series 2018A Bonds, the Series 2018B Bonds, the Series 2018C Bonds, the Series 2021A Bonds, the 2022BCD term loans, and the Series 2025 Bonds. The Corporation previously redeemed $21.54 million of the Series 2014A Bonds and prepaid in its entirety a $75 million taxable term loan provided by Wells Fargo Bank, National Association (the "*2022A Taxable Term Loan*"). The Corporation and the other Members of the Obligated Group have also entered into a long-term equipment lease with Banc of America Public Capital Corp, a revolving line of credit with KeyBank National Association in the principal amount not to exceed $60,000,000, and certain other notes payable, which are not secured by the Obligated Group or an Obligation issued under the Master Indenture. Under certain circumstances, an event of default under such instruments may lead to an event of default under the Master Indenture. See Note 7 to the Consolidated Financial Statements attached to this Official Statement as Appendix B. See also Section 4.01 in the form of the Master Indenture attached hereto as Appendix C.

Derivatives Transactions. No Member of the Obligated Group has entered into any interest rate swaps or other derivative instruments related to interest rate risk.

Coverage of Maximum Annual Debt Service. The following table sets forth, for the fiscal years ended September 30, 2022, 2023 and 2024, the income of the Obligated Group (as reflected in the consolidating statements of operations–unrestricted assets included in the audited consolidated financial statements of the Corporation) available to pay (i) maximum annual debt service on the Long-Term Indebtedness of the Obligated Group, excluding (a) the issuance of the Series 2025 Bonds, (b) the refunding and redemption of the Series 2014A Bonds and the Series 2018D Bonds, and (c) the prepayment of the 2022A Taxable Term Loan, and (ii) pro forma maximum annual debt service on the Long-Term Indebtedness of the Obligated Group, including the Series 2025 Bonds and excluding the Series 2014A Bonds, the Series 2018D Bonds, and the 2022A Taxable Term Loan.

This table is not intended and should not be considered a projection of future revenues, expenses, debt service or debt service coverage of the Obligated Group. There is no assurance that the future revenues, expenses, debt service and debt service coverage of the Obligated Group will correspond to the revenues, expenses, debt service and debt service coverage shown in the following table.

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OBLIGATED GROUP MAXIMUM ANNUAL DEBT SERVICE COVERAGE

	Fiscal Year Ended September 30,		
	2022	2023	2024
	(DOLLARS IN 000's)		
Income Available for Debt Service			
Revenue in Excess of Expenses	$ 13,103	$ 87,060	$ 168,286
Depreciation and amortization	111,524	120,007	112,791
Interest expense	29,499	39,440	43,612
Loss on plan termination	-	-	17,845
Loss on early extinguishment of debt	144	-	-
Total Income Available for Debt Service	$ 154,270	$ 246,507	$ 342,534
Maximum Annual Debt Service[(1)(2)(3)]	$65,118	$65,118	$65,118
Coverage of Maximum Annual Debt Service	2.37	3.79	5.26
Pro Forma Maximum Annual Debt Service[(2)(3)(4)]	$86,243	$86,243	$86,243
Coverage of Pro Forma Maximum Annual Debt Service	1.79	2.86	3.97

(1) Reflects maximum annual debt service on the long-term debt of the Obligated Group outstanding as of September 30, 2024, based on the assumptions noted in the footnotes to the table set forth in the forepart of this Official Statement under the caption "ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS" and other assumptions permitted by the Master Indenture. Excludes the Series 2025 Bonds and includes the Series 2014A Bonds, the Series 2018D Bonds and the 2022A Taxable Term Loan. The maximum annual debt service shown may differ from actual annual debt service on the outstanding long-term debt of the Obligated Group due to such assumptions and to variations in the actual payment of debt service by the Obligated Group. Existing maximum annual debt service assumes the 2022ABCD term loans are treated as Balloon Indebtedness and smoothed at a rate of 3.5% based on a schedule provided by the Obligated Group.

(2) Excludes indebtedness secured by a building in connection with a minority interest joint venture held by the Corporation. Amounts outstanding as of September 30, 2022, 2023 and 2024 were $0, $0, and $32,777,000 respectively. The associated building was purchased, and such debt was paid off by the Corporation during the first quarter of fiscal year 2025.

(3) The Corporation maintains a general-purpose unsecured line of credit in the amount of $60,000,000. As of the date of this Official Statement, no amounts are drawn under that line of credit.

(4) Reflects pro forma maximum annual debt service on the long-term debt of the Obligated Group starting in the fiscal year ending September 30, 2024, based on the assumptions noted in the footnotes to the table set forth in the forepart of this Official Statement under the caption "ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS" and other assumptions permitted by the Master Indenture. Includes the Series 2025 Bonds and excludes the Series 2014A Bonds, the Series 2018D Bonds, and the 2022A Taxable Term Loan. The pro forma maximum annual debt service shown may differ from actual annual debt service on the outstanding long-term debt of the Obligated Group due to such assumptions and to variations in the actual payment of debt service by the Obligated Group. Pro forma maximum annual debt service assumes the 2022BCD term loans are treated as Balloon Indebtedness and smoothed at a rate of 3.5% based on a schedule provided by the Obligated Group.

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OTHER INFORMATION

FOUNDATION

St. Luke's Health Foundation, Ltd. ("St. Luke's Health Foundation"). St. Luke's Health Foundation was founded in 2002 and supports the operational and capital needs of related organizations within the Health System, including SLRMC, SLNMC, SLMV, SLWR and SLM. The Corporation is the sole member of St. Luke's Health Foundation. As of September 30, 2024, St. Luke's Health Foundation had restricted net assets of approximately $31.4 million and temporarily restricted net assets of approximately $43.1 million. For the fiscal year ending September 30, 2024, St. Luke's Health Foundation received over $21.4 million in contributions from foundations, corporations, and individuals.

ACCREDITATION, LICENSES, MEMBERSHIPS AND APPROVALS

All facilities of Members of the Obligated Group are licensed by the State of Idaho and Medicare and Medicaid certified. In addition, seven of nine inpatient campuses are accredited by The Joint Commission, with each location being reaccredited in the past 12 months. St. Luke's is dedicated to ensuring the highest quality of care is received at all levels of care and includes the ambulatory clinics, homecare and hospice services, and long-term care units in the regulatory review processes noted above. In addition to the external review processes required to maintain the certification and accreditations referenced above, the Health System has implemented a robust internal process to ensure ongoing compliance with best practice and regulations at each hospital location.

In addition to the full hospital license accreditation/certifications described above, the Health System has many areas designated as Centers of Excellence by The Joint Commission, Commission on the Accreditation of Rehabilitation Facilities, and many other accrediting organizations. The Health System is also committed to hiring and retaining the highest quality nursing staff as demonstrated by the longstanding designation of SLRMC as a Magnet hospital by the American Nurses Credentialing Center.

The Health System is a member of the American Hospital Association and the Idaho Hospital Association.

INFORMATION SYSTEMS

Information technology, including applications, systems and infrastructure, is coordinated throughout the Health System in a centralized service. Overall, the Health System's information technology consists of a homogenous set of applications that are used across all facilities and include an enterprise EHR, general financials, patient registration and billing, enterprise data warehouse and analytics platform, supply chain management, many clinical applications, imaging technology, virtual care and digital products.

The Health System uses Epic as its primary EHR system and has continually invested in information systems and technology infrastructure to enhance the delivery of care, manage costs, and support its mission. These systems and infrastructure combine to support clinical

documentation, medication management, decision support, computerized order entry, health information management, as well as registration, appointment scheduling, billing, and finance.

Through use of Epic software, the System has deployed an enterprise platform to manage patient medical records, including hospital, ambulatory, post-acute, care management, value-based care delivery, and revenue cycle. The System has leveraged this technology to create a single-health record across all care delivery sites, a key component of its comprehensive care delivery system. The Epic ambulatory solution has enhanced the System's outreach strategy. Both physicians and employees are able to simultaneously use the System's technology to deliver patient care, allowing clinicians to manage patient experience by automating multiple aspects of the care process with the goal of providing the highest quality care. The technology is designed to provide complete documentation, decrease medical errors, improve detection of adverse events/associated interventions, and provide guidelines, prompts, and alerts based on best practices including clinical decision support.

CYBERSECURITY

The Health System is committed to safeguarding patients, their data, and the critical systems that support care delivery. To support this commitment, the Health System has invested in a robust cybersecurity program that it continues to strengthen and refine. The Health System approaches cybersecurity from an enterprise risk management perspective, embedding cybersecurity considerations across all operational and strategic domains.

The Health System's cyber security program aligns with the National Institute of Standards and Technology Cybersecurity Framework 2.0, including its latest updates, and features regular internal and external assessments, robust risk management protocols, and advanced security tools. This program emphasizes a multi-layered approach to protection, detection, and response, supported by system-wide vigilance and resiliency initiatives under the leadership of the Chief Information Security Officer. These initiatives range from the implementation of technical safeguards such as Okta multi-factor authentication, to regular education campaigns that build awareness and understanding across the system, and executive and operational tabletop exercises, often conducted with external partners and vendors such as Mandiant, that build resiliency and help prepare the organization for a swift and effective response to potential threats. The Health System's awareness and education initiatives are supported by an advanced incident response framework developed through collaboration between the Health System's cybersecurity, legal, risk, and compliance teams.

The Health System has also initiated an expansive effort focused on preparedness for an extended technology outage. To strengthen third-party risk management, the Health System has developed vendor assessments and standard contracting language to ensure that applicable vendors meet appropriate cybersecurity standards. These efforts address the growing complexity of managing third-party risks in the modern threat landscape. The organization also engages in proactive partnerships with law enforcement agencies and other external entities to enhance incident preparedness and response. Managed services and strategic vendor relationships further extend the Health System's cybersecurity capabilities, providing critical expertise and resources. These cybersecurity initiatives are guided by board-level oversight, including regular reporting to the Audit, Risk, and Compliance Committee of the Board. These reports provide transparency on

risk mitigation efforts, program effectiveness, and alignment with organizational goals, ensuring continuous improvement and accountability.

SUSTAINABILITY

The Health System recognizes that the health of patients, employees, and the community is tied to the health of the environment, and it strives to conserve resources and minimize its impact on the environment, while ensuring that patient care is never compromised.

The Health System promotes a culture of environmental sustainability through energy efficiency, waste minimization, stewardship of natural resources, and fiscal responsibility. The Health System's Environmental Sustainability Program includes energy management through energy-use baselines, building control automation, and identification of renewable energy options; enhancing multi-modal transportation options for employees and reducing vehicle emissions; water stewardship through standardized water-use baselines and identification of water conservation opportunities; and measuring and leveraging supplier sustainability efforts. The Environmental Sustainability Department works with senior management and includes an Environmental Sustainability Medical Director to ensure initiatives are developed in concert with clinical considerations and goals. The Health System has committed to the U.S. Department of Health and Human Services Health Sector Climate Pledge to reduce emissions by 50% by 2030. Recent achievements include 2024 Healthcare Tree Campus Designation by the Arbor Day Foundation, installation of electric vehicle and CarShare infrastructure that provide options to our patient and employees, and development of a cohesive alternative transportation management plan.

INSURANCE

The Health System uses a combination of self-insurance and commercial insurance to provide protection from multiple exposures for its hospitals and other entities.

Healthcare Professional and General Liability. The coverage is provided through Sequoyah Assurance, Ltd. (the "*Captive*"), a Cayman domiciled wholly owned subsidiary of SLRMC. The Captive reimburses the Health System for liability up to $3 million per claim (plus a $2 million per claim/$2 million aggregate buffer), healthcare professional liability, and $3 million per claim, general liability, with a $15 million combined annual aggregate. Coverage is provided on a claims-made and reported basis for both types of described coverage. The Health System pays a premium to the Captive based on funding levels recommended by an independent actuary.

Excess Liability. The Captive also provides the Health System with excess professional and general liability coverage of $60 million in limits. Two towers of coverage are provided. One tower for a total of $60 million in limits is provided for excess professional liability and a separate tower for a total of $60 million in limits is provided for excess general liability, automobile and ambulance liability, employer's liability, and helipad and aviation liability. Coverage is provided on a claims-made and reported basis for professional and general liability. Coverage is provided on an occurrence basis for automobile and ambulance liability, employer's liability, and aviation liability. The excess liability is 100% reinsured by various third-party reinsurers.

Workers' Compensation. The Health System is self-insured for workers' compensation claims up to $750,000 per occurrence for incidents occurring in the State of Idaho. Excess coverage is purchased from a commercial insurer. Coverage is provided for statutory limits. A separate guaranteed cost workers' compensation policy is purchased from a commercial insurer for employees that normally work in states other than Idaho.

Other Insurance Coverage. The Health System also purchases commercial policies for property, environmental, director's and officer's liability, employment practices liability, automobile and ambulance liability, helipad and non-owned aircraft liability, privacy cyber network security liability, fiduciary liability, employed lawyers, managed care errors and omissions, crime, and kidnap and ransom exposures. These policies are issued with varying limits and deductibles/retentions.

Idaho imposes a cap on non-economic damages per claimant for personal injury or wrongful death claims. As of July 1, 2024, this cap was approximately $490,512 per claimant and adjusts annually based on average annual wage increases or decreases.

LITIGATION

The Obligated Group is routinely involved in litigation matters and regulatory investigations arising in the normal course of its business. The Obligated Group maintains self-insured retentions and insurance policies with coverage that management believes are appropriate in light of the risks attendant to its business. Management believes that any unfavorable resolution of the claims currently pending against the Obligated Group will not have a material adverse impact on the financial position or operations of the Obligated Group, taken as a whole, although the Obligated Group is unable to predict the outcome of such claims.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF ST. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

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St. Luke's Health System, Ltd. and Subsidiaries

Consolidated Financial Statements as of and for the Years Ended September 30, 2024 and 2023, and Independent Auditor's Report

St. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of,
St. Luke's Health System, Ltd.
Boise, Idaho

Opinion

We have audited the consolidated financial statements of St. Luke's Health System, Ltd. and subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of September 30, 2024 and September 30, 2023, and the related consolidated statements of operations and changes in net assets, and of cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Health System as of September 30, 2024 and September 30, 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Health System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health System's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Health System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Disclaimer of Opinion on Charity Care Schedule

The charity care schedule summarized in Note 1, which is the responsibility of the Health System's management, is not a required part of the basic financial statements, and we did not audit or apply limited procedures to such information and we do not express any assurances on such information.

Deloitte & Touche LLP

December 12, 2024

St. Luke's Health System, Ltd. and Subsidiaries

Consolidated Balance Sheets
As of September 30, 2024 and 2023
(In thousands)

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	$ 159,696	$ 75,245
Receivables—net	589,105	527,717
Inventories	61,044	54,108
Prepaid expenses	44,860	43,815
Current portion of assets whose use is limited	72,842	64,842
Assets held for sale	-	4,676
Total current assets	927,547	770,403
Assets whose use is limited	1,357,887	1,286,897
Property, plant, and equipment—net	1,500,044	1,371,876
Operating lease right-of-use assets	113,476	115,331
Other assets	58,873	69,883
Total assets	$ 3,957,827	$ 3,614,390
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	$ 270,491	$ 234,443
Compensation and related liabilities	335,173	279,006
Estimated payable to medicare and medicaid programs	79,505	66,260
Current portion of operating lease obligations	25,715	23,743
Current portion of long-term debt and finance lease obligations	20,944	15,821
Total current liabilities	731,828	619,273
Long-term debt	1,124,099	1,111,018
Operating lease obligations	88,804	92,873
Finance lease obligations	39,889	41,615
Pension liabilities	18,667	21,976
Other liabilities	2,121	1,916
Net assets		
Net assets without donor restrictions	1,869,936	1,663,851
Noncontrolling ownership interest in consolidated affiliates	6,980	-
Net assets with donor restrictions	75,503	61,868
Total net assets	1,952,419	1,725,719
Total liabilities and net assets	$ 3,957,827	$ 3,614,390

See notes to consolidated financial statements.

St. Luke's Health System, Ltd. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended September 30, 2024 and 2023
(In thousands)

	2024	2023
Revenues		
Net patient service revenue	$ 2,955,672	$2,646,643
Capitated revenue	1,034,819	1,085,084
Net premium revenue	29,639	12,066
Other revenue	120,152	176,984
Net assets released from restrictions—operating	(8,093)	(454)
Total revenues	4,132,189	3,920,323
Expenses		
Employee compensation and benefits	1,980,321	1,841,856
Supplies and drugs	803,898	732,723
Medical claims	520,598	570,924
Other operating expenses	596,260	546,543
Total operating expenses	3,901,077	3,692,046
Earnings before interest, depreciation and amortization	231,112	228,277
Depreciation and amortization	120,412	125,125
Interest	43,607	39,444
Net operating income	67,093	63,708
Net investment income	66,684	25,630
Income taxes	(962)	31
Plan termination loss	(17,845)	-
Revenue in excess of expenses attributable to the Health System	$ 114,970	$ 89,369

See notes to consolidated financial statements.

(Continued)

St. Luke's Health System, Ltd. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended September 30, 2024 and 2023
(In thousands)

	2024	2023
Net assets without donor restrictions		
Revenue in excess of expenses	$ 114,970	$ 89,369
Net assets from issuance of noncontrolling interests	6,980	-
Change in net unrealized gains on investments	72,877	38,513
Net assets released from restrictions—capital	4,483	7,189
Other components of net periodic pension cost	(4,770)	(4,634)
Pension plan termination	17,845	-
Change in funded status of pension plans	680	146
Increase in net assets without donor restrictions	213,065	130,583
Net assets with donor restrictions		
Contributions	21,398	14,434
Investment (loss) income	(192)	87
Change in net unrealized gains on investments	5,005	2,229
Net assets released from restrictions	(12,576)	(7,643)
Increase in net assets with donor restrictions	13,635	9,107
Increase in net assets	226,700	139,690
Net assets—Beginning of year	1,725,719	1,586,029
Net assets—End of year	$ 1,952,419	$ 1,725,719

See notes to consolidated financial statements. (Concluded)

St. Luke's Health System, Ltd. and Subsidiaries

Consolidated Statement of Cash Flows
For the Years Ended September 30, 2024 and 2023
(In thousands)

	2024	2023
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 226,700	$ 139,690
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	120,412	125,125
Net realized (gains) losses on investments	(18,576)	13,004
Unrealized (gains) on investments	(76,680)	(39,564)
Amortization of deferred financing fees	355	348
Restricted contributions received	(21,398)	(14,434)
Gain on disposition of equipment and other assets	(3,427)	(202)
Change in other components of net periodic pension cost	4,770	4,634
Change in funded status of pension plans	(680)	(146)
Changes in operating assets and liabilities:		
Receivables	(57,431)	(24,181)
Inventories	(6,936)	(973)
Prepaid expenses and other current assets	(1,042)	(2,702)
Other assets	(54,963)	(32,332)
Accounts payable and accrued liabilities	21,645	(1,606)
Compensation and related liabilities	56,371	7,438
Medicare cash repayments	-	(1,743)
Payable to medicare and medicaid programs	13,245	9,363
Other liabilities	(7,399)	(7,263)
Net cash provided by operating activities	194,966	174,456
Cash flows from investing activities:		
Acquisition of property, plant, equipment and land, net of accounts payable	(187,067)	(134,997)
Proceeds (loss) from disposition of equipment and other assets	9,241	(243)
Purchase of investments	(1,338,001)	(1,408,608)
Other changes in investments	(10,183)	(170)
Proceeds from sale of investments	1,363,706	1,146,208
Capital (contributed to) unconsolidated affiliates	-	(7,057)
Net cash increase from acquisition	87	-
Distributions from unconsolidated affiliates	91	306
Net cash (used in) investing activities	(162,126)	(404,561)

St. Luke's Health System, Ltd. and Subsidiaries

Consolidated Statement of Cash Flows
For the Years Ended September 30, 2024 and 2023
(In thousands)

	2024	2023
Cash flows from financing activities:		
Repayment of long-term debt	$ (11,857)	$ (11,424)
Proceeds from long-term debt issuance	-	250,000
Cost of issuance on long-term debt	-	(297)
Proceeds from debt issued by consolidated affiliate	7,598	-
Proceeds from contributions for temporarily restricted net assets	21,398	14,434
Payments on notes payable	(2,000)	(25,648)
Net cash provided by financing activities	15,139	227,065
Net increase (decrease) in cash, cash equivalents and restricted cash	47,979	(3,040)
Cash, cash equivalents and restricted cash—Beginning of year	142,356	145,396
Cash, cash equivalents and restricted cash—End of year	$ 190,335	$ 142,356
Supplemental cash flow information:		
Purchase of property, plant and equipment in accounts payable and accrued liabilities	$ 17,397	$ 7,115
Unsettled investment purchases	22,247	46,180
Unsettled investment sales	3,717	4,599
Acquisition of property, plant and equipment—net	28,616	-
Assumption of long-term debt	24,655	-

See notes to consolidated financial statements. (Concluded)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—St. Luke's Health System, Ltd. and subsidiaries (the "Health System") is an Idaho-based not-for-profit organization providing comprehensive integrated healthcare services throughout the communities it serves.

The Health System provides patient services, including outpatient and inpatient, rehabilitation services and physician services. The Health System's primary hospitals and patient service areas are located within the State of Idaho in or surrounding the cities of Boise, Meridian, Nampa, Twin Falls, Mountain Home, McCall, Jerome, and Ketchum and have other facilities and operations throughout Southern Idaho and Eastern Oregon.

St. Luke's Health Partners ("the Network") is a wholly owned not-for-profit, though not tax-exempt, subsidiary of the Health System. The Network is a financially and clinically-integrated network that allows independent physicians and facilities to partner with the Health System and is organized to assume financial and clinical accountability in capitated arrangements. These arrangements include governmental and commercial payers, as well as self-funded employers. Under these arrangements, the Network is accountable for the management of health outcomes and medical spend for defined populations through value-based agreements with payers.

St. Luke's Health Plan, Inc. (the "Plan") is a wholly owned not-for-profit, though not tax exempt, subsidiary of the Health System. In early 2022, the Plan became a managed care organization when it received a Certificate of Authority from the Idaho Department of Insurance and starting January 1, 2023, the Plan's first health insurance policies became effective. The Plan offers a range of insurance products, including individual and group lines of business across west central and south-central Idaho counties. The Plan's purpose "to connect people with affordable, hassle-free health care" seamlessly aligns with St. Luke's long-standing commitment to improving the health of people through coordinated health care while seeking to improve affordability for patients.

The Health System's general offices and corporate functions are located in Boise, Idaho. The Health System is governed by a volunteer Board of Directors ("the Board") made up of local citizens.

Basis of Presentation—The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Intercompany transactions have been eliminated.

Use of Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates, assumptions and judgments that affect the amounts reported in the consolidated financial statements. The Health System considers critical accounting estimates to be those that require more significant judgments and estimates in the preparation of its consolidated financial statements, including the following: contractual allowances for uncollectible accounts receivable, provisions for self-pay price concessions and charity care; useful lives of depreciable assets; liabilities associated with employee

benefit programs; self-insured professional liability risks not covered by insurance; medical claims incurred but not yet reported; and potential settlements with the Medicare and Medicaid programs.

Changes in estimates are included in results of operations in the period when such amounts are determined, and actual amounts could differ from such estimates.

Statements of Operations—Transactions deemed by management to be ongoing, major, or central to the provision of integrated health care services are reported as unrestricted revenues, gains and other support and expenses.

Net Assets with Donor Restrictions—Net assets with donor restrictions are those subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature which are met by actions of the Health System or by the passage of time. Other donor restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. These are generally restricted to provide ongoing income for a specific program.

Donor Restricted Gifts—Unconditional promises to give cash, pledges receivable and other assets are recorded at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of operations and changes in net assets as net assets released from restrictions. Total pledges receivable, net of allowances, as of September 30 were as follows:

	2024	2023
Less than one year	$ 2,500	$ 2,673
One to five years	4,146	587
More than five years	-	10
	6,646	3,270
Less allowance for estimated uncollectible accounts	205	70
Total pledges receivable	$ 6,441	$ 3,200

Cash, Cash Equivalents and Restricted Cash—Cash and cash equivalents represents cash on hand and cash in banks, excluding amounts whose use is limited, and consists primarily of cash and highly liquid investments with original maturities of three months or less. As of September 30, 2024 and 2023, the Health System had book overdrafts of $2,585 and $771, respectively, that is included in accounts payable and accrued liabilities.

The following table reconciles cash, cash equivalents and restricted cash shown in the statement of cash flows to amounts presented within the consolidated balance sheets as of September 30, 2024 and 2023, respectively:

	2024	2023
Cash and cash equivalents	$ 159,696	$ 75,245
Restricted cash included in current portion of assets whose use is limited		
Held by trust under bond indenture	4,069	26,022
Cash equivalents included in assets whose use is limited	26,570	41,089
Total cash, cash equivalents, and restricted cash shown in statement of cash flows	$ 190,335	$ 142,356

Inventories—Inventories consist primarily of pharmaceutical, medical, and surgical supplies and are stated at the lower of cost (on a moving-average basis) or net realizable value.

Assets Whose Use is Limited—Assets whose use is limited include assets set aside by the Board for future capital purposes over which the Board retains control and may, at its discretion, subsequently be used for debt retirement or other purposes. It also includes assets held by trustee under indenture agreements, assets restricted by donors for specific purposes, permanent endowment funds, or by law. Assets whose use is limited also include strategically designated assets held by the Plan.

The Health System's long-term and short-term investment portfolios are managed according to investment policies adopted by the Health System and based on overall investment objectives. Board designated funds are investments established by the Board for strategic future capital or operating expenditures intended to expand or preserve services provided to the communities it serves. All investments are classified as available for sale and recorded at fair value using trade date accounting. Realized gains (losses) on investments whose use has not been restricted by the donor, including unrestricted income from endowment funds, are reported as part of investment income. Investment income and gains (losses) on investments whose income has been restricted by the donor are recorded as increases (decreases) to net assets with donor restrictions.

The Health System's investments primarily include mutual funds and debt securities that are carried at fair value. The Health System evaluates whether securities are other-than-temporarily impaired ("OTTI") based on criteria that include the extent to which cost exceeds market value, the intent to sell, the duration of the market decline, the credit rating of the issuer or security, the failure of the issuer to make scheduled principal or interest payments and the financial health and prospects of the issuer or security. Any declines in the value of investment securities determined to be OTTI are recognized in earnings and reported as OTTI losses. The Health System determined that no securities were OTTI as of September 30, 2024 and 2023.

Equity Method Investment— During the year, the Health System owned minority membership interests in two joint-venture equity investments ("JV Investments"). These JV

investments were both accounted for using the equity method and initially recorded at cost. The Health System captures the activity related to these JV investments by increasing (decreasing) the reported balances by the related contributions, as well as their proportionate share of earnings (losses).

The Health System owns a membership interest of 49.5% in Broadway Park Holdings, LLC ("BPH"). The Health System's investment in BPH as of September 30, 2024 and 2023, was $7,537 and $7,628, respectively. During the year ended September 30, 2024 and 2023, the Health System recognized equity earnings from the investment in BPH of $1,209 and $1,294, respectively.

The Health System owns a membership interest of 49% of ATSAW SL, LLC ("ATSAW"). The Health System's investment in this entity as of September 30, 2024 and 2023, was $0 and $6,706, respectively. During the fiscal year ended September 30, 2024, circumstances related to membership interest in ATSAW changed, requiring consolidation. See "Consolidated Affiliates", below. For the year ended September 30, 2023 there was no activity that required recognition of equity earnings by the Health System related to ATSAW.

Consolidated Affiliates – Beginning July 1st, 2024, the Health System was required to fully consolidate ATSAW, as the Health System had exercised its option to purchase the assets held by ATSAW. The Health System removed the equity investment and consolidated the assets and liabilities of ATSAW into the consolidated financial statements. The net asset attributable to the noncontrolling interest was $6,980 as of September 30, 2024.

Property, Plant, and Equipment—Property, plant, and equipment, including internal use software, are recorded at cost except for donated assets, which are recorded at fair value at the date of donation. Property and equipment donated for Health System operations are recorded as additions to property, plant, and equipment when the assets are placed in service. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets with depreciation taken in both the year placed in service and the year of disposition.

The estimated useful lives of each asset ranges are as follows:

Buildings	15–40 years
Fixed and major movable equipment	2–20 years
Leasehold improvements	5–15 years
Information technology	3–7 years

Expenditures for maintenance and repairs are charged to expense as incurred and expenditures for renewals and betterments are capitalized. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed from the records and any gain or loss is reflected in the statement of operations. Periodically, the Health System evaluates the carrying value of property, plant, and equipment for impairment based on undiscounted operating cash flows whenever events or changes occur which might impact recovery of recorded assets.

Costs of Borrowing—Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Financing costs are deferred and amortized over the life of the debt.

Other Assets—Other assets include land and buildings held for future investment or future expansion, goodwill and other non-limited use assets.

Assets held for sale—The Health System classifies certain assets as assets held for sale when the assets have met applicable criteria for this classification.

Goodwill—Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. With the adoption of Accounting Standards Update ("ASU") 2019-06, the Health System amortizes goodwill on a straight-line basis over a ten-year period. The Health System has elected to test goodwill for impairment at the entity level. Impairment testing is required when a triggering event occurs that indicates that the fair value of the Health System may be below carrying amount. The Health System considered various events and circumstances at the end of each fiscal year to evaluate whether the Health System's fair value was less than carrying value. Based on the Health System's assessment of relevant events and circumstances, the Health System has concluded that no triggering events occurred that would require an impairment test. There was no impairment of goodwill for the fiscal years ended September 30, 2024 and 2023.

Right-of-Use Assets and Lease Obligations—The Health System determines if an arrangement is a lease at inception of the contract. Right-of-use assets represent the right to use the underlying assets for the lease term and the lease liabilities represent an obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When available, the Health System uses the implicit rate stated in the contract. If the implicit rate is not stated, an estimated Incremental Borrowing Rate ("IBR") is used. The IBR is estimated based on market rates provided by our banking advisors for similar duration debt issuances at or near the lease commencement date. Operating and financing lease obligations with an initial term of 12 months or less ("short-term leases") are not recorded on the consolidated balance sheets. Expenses for short-term lease obligations are recognized within other operating expenses on the consolidated statements of operations and changes in net assets, over the lease term. The Health System's finance leases are primarily for real estate. Finance lease right-of-use assets are included in property, plant and equipment with the related liabilities listed in current and long-term liabilities on the consolidated balance sheets.

Operating lease right-of-use assets and lease obligations are recorded for all leases that are not considered finance leases or short-term leases. The Health System's operating leases cover medical and office equipment, auto, medical transportation aircraft and real estate inclusive of outpatient facilities, medical office buildings, warehousing, and administrative office space. The Health System's real estate leases typically have an initial term of one to fifteen years. The Health System's equipment lease agreements typically have a term of one to six years. The real estate leases may include one or more options to renew, with renewals that typically can extend the lease term from one to ten years. The exercise of lease renewal options is at the Health System's sole discretion. For accounting purposes, options to extend or terminate the lease are included in the lease term when it is reasonably certain the options will be exercised. Operating lease liabilities represent the obligation to make lease payments arising from the leases and are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Certain lease agreements for real estate include payments based on actual common area maintenance expenses and others include rental payments adjusted periodically for inflation. We have elected to include these non-lease components with lease components for contracts

containing real estate leases for the purpose of calculating lease right-of-use assets and liabilities, to the extent that they are fixed. Non-lease components that are not fixed are expensed as incurred as variable lease payments. These variable lease payments are recognized in other operating expenses, net, but are not included in the right-of-use asset or liability balances. The Health System's lease agreements do not contain any material residual value guarantees, restrictions, or covenants.

Charity Care—The Health System provides services to all patients regardless of their ability to pay in accordance with its charity care policy. The estimated cost of providing these services is calculated by multiplying the ratio of cost to gross charges for the Health System by the gross compensated charges associated with providing care to charity patients.

In addition to charity care services, the Health System provides services to patients who are deemed indigent under state Medicaid and county indigency program guidelines. In most cases, the cost of services provided to these patients exceeds the amounts received as compensation from the respective programs. In addition, in response to broader community needs, the Health System also provides many programs such as health screening, patient and health education programs, clinical and biomedical services to outlying hospitals, and serves as a clinical teaching site for higher education programs of health professionals. The following unaudited schedule summarizes the charges forgone in accordance with the Health System's charity care policy, the unpaid costs associated with services provided under Medicare, Medicaid, and county indigency programs, and the benefit of services provided to support broader community needs:

	Unaudited	
	2024	**2023**
Estimated amounts related to:		
Unpaid cost of Medicaid and other public programs	$ 508,045	$ 528,842
Services provided to support broader community needs	116,324	105,120
Cost of providing charity care	50,040	35,579

Income Taxes—The Health System is a not-for-profit corporation and is recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Health System has activities that are considered unrelated business taxable income ("UBTI"), which are subject to income tax. The Health System also has two taxable subsidiaries, the Network, and the Plan whose operations are included in the consolidated financial statements and as such we have provided for income taxes on this activity under the Accounting Standards Codification ("ASC") 740.

For the Health System's taxable subsidiary and activities considered UBTI, income taxes are accounted for under the asset and liability method, which requires the recognition of Deferred Tax Assets ("DTAs") and Deferred Tax Liabilities ("DTLs") for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, the Health System determines DTAs and DTLs based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on DTAs and DTLs is recognized in results of operations in the period that includes the enactment date of the rate change.

The Health System recognizes DTAs to the extent that these assets are more likely than not to be realized. In making such a determination, the Health System considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent

operations. If the Health System determines that DTAs are realizable in the future in excess of their net recorded amount, the Health System would make an adjustment to the DTA valuation allowance, which would reduce the provision for income taxes.

The Health System records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) the Health System determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Health System recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. Management is not aware of any uncertain tax positions that should be recorded.

Net Patient Service Revenue—Net patient service revenue is reported at the amount that reflects the consideration to which the Health System expects to be entitled in exchange for providing care. These amounts are due from patients, third-party payors, and others, including estimated adjustments under reimbursement agreements with third-party payors when services are rendered. As final settlements are made and estimates are revised, the differences are reflected in current operations.

The Health System records revenue during the period after obligations to provide healthcare services are satisfied. Generally, the Health System bills patients and third-party payors several days after the services are performed or after the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied by transferring services to customers.

Performance obligations are determined based on the nature of the services provided by the Health System. Revenues are recorded during the period obligations to provide health care services are satisfied.

Revenue for the performance obligations satisfied over time is recognized based on actual charges incurred. Generally, performance obligations satisfied over time relate to patients receiving inpatient services. The Health System measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time is generally recognized when goods or services are provided, and the Health System does not believe it is required to provide additional goods or services related to the patient.

Because all its performance obligations relate to contracts with a duration of less than one year, the Health System has elected to apply the optional exemption provided in ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The Health System determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Health System's policy, or implicit price concessions provided to uninsured patients. The Health System determines its estimates of contractual adjustments and discounts based on contractual agreements, its

discount policy, and historical experience. The Health System determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

The Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare—Inpatient acute and certain outpatient care services rendered to Medicare program beneficiaries are paid at prospectively determined rates based upon the service provided. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Inpatient non-acute services, certain other outpatient services, and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology.

The Health System is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Health System and audits thereof by the Medicare Administrative Contractor ("MAC"). The Health System's classification of patients under the Medicare program, and the appropriateness of their admission are subject to a review by a peer review organization under contract with the MAC.

Medicaid—Prior to July 1, 2021, inpatient and outpatient services rendered to Medicaid program beneficiaries were reimbursed under a cost-based reimbursement methodology which was retroactively settled. Effective July 1, 2021, Medicaid transitioned inpatient hospital reimbursement from this cost-based structure to a Diagnosis Related Group (DRG) model, which pays for medical services under a budget, based on the patient's severity of illness. Also, effective July 1, 2021, outpatient hospitals were transitioned to a final prospective payment rate based on a percent of charges multiplied by allowable Medicaid charges. The percent of charges were calculated from the most recent cost settlement used to set payment rates. The prospective payment rate will not be retroactively cost settled. Critical access hospitals were excluded from these reimbursement methodology changes and have continued to receive cost-based reimbursement for inpatient and outpatient services.

Beginning January 1, 2022, the Network's Value Care Organization ("VCO") entered a capitated arrangement, managing health outcomes related to the majority of the Health System's Medicaid patients, which include those that align with physician groups within the VCO. The remaining Medicaid patients continue to be reimbursed under the methodologies outlined in the preceding paragraph.

Changes in estimated settlement amounts are included in results of operations in the period when such amounts are determined. The Health System has an opportunity to amend previously settled cost reports when new or revised information is discovered. With regard to the amended cost reports, the Health System updates estimated settlements when amounts are probable and estimable.

Changes in prior year estimates for Medicare and Medicaid settlements increased net patient service revenue by $9,771 and $18,045 for the years ended September 30, 2024 and 2023.

Other Third-Party Payors—The Health System has also entered into payment agreements with certain commercial insurance carriers, health maintenance

organizations, and preferred provider organizations. The basis for payment to the Health System under these agreements includes prospectively determined rates per patient day, per discharge and discounts from established charges as well as payor specific contract terms.

The Health System provides care to patients regardless of their ability to pay. The Health System has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances such as copays and deductibles. The implicit price concessions included in estimating the transaction prices represent the difference between amounts billed to patients and amounts the Health System expects to collect based on the collection history of those patients.

Capitated Revenue—Capitated revenue represents contractual revenue from value-based arrangements at the Network, where financial responsibility is assumed for services provided to enrollees by other institutional health care providers. In these arrangements, a settlement amount is calculated based on medical claims experience as compared to budget targets based on contractual terms. Capitated revenue is recognized during the period for which institutional providers are obligated to provide health services to enrollees. Settlements are accrued during the period in which the related services are rendered. Losses expected under the contract period in value-based arrangements are recognized when it is probable that expected medical claim expense exceeds future capitated revenue.

Reserves for incurred but not reported medical claims have been established for the unpaid costs of health care services covered under the value-based arrangements. The reserves are estimated based on actuarial analysis, historical experience, and payment trends. Subsequent actual claims experience will differ from the estimated reserve due to variances in estimated and actual utilization of health care services. As final settlements are made and estimates are revised, the differences are reflected in current operations. Reserves for incurred but not reported were $119,795 and $119,152 and include $13,277 and $9,800 related to employee claims for as of September 30, 2024 and 2023, respectively.

The Network bears full performance exposure on all significant value-based arrangements. Per ASC 606, *Revenue from Contracts with Customers*, the capitated revenue and corresponding medical costs are presented gross when we bear the full financial risk for the defined healthcare services and care activities in the fulfillment of our obligation and net when we bear limited financial risk. The Direct Contracting and Medicaid programs are reinsured by the sponsoring payor, while all other value-based arrangements are reinsured through Sequoyah Assurance, Ltd. (the “Captive”), a Cayman domiciled wholly owned subsidiary of the Health System, and recoveries are netted within medical claims expense related to the arrangement.

Net Premium Revenue—Premium Revenue represents health insurance premiums from enrollees in insurance products provided by the Plan, net of reinsurance premiums ceded. Premium revenue is recognized in the coverage period in which enrollees are entitled to receive healthcare services. Premiums received in advance of coverage period are recorded in accounts payable and accrued liabilities.

Reserves for incurred but not reported medical claims have been established for the unpaid costs of health care services for members. The reserves are estimated based on actuarial analysis, historical experience, and payment trends. Subsequent actual claims experience will differ from the estimated reserve due to variances in estimated and actual utilization of health care services. As final settlements are made and estimates are revised, the differences

are reflected in current operations. Reserves for incurred but not reported were $3,296 and $1,298 as of September 30, 2024 and 2023, respectively.

Adopted Accounting Pronouncements—In June 2016, FASB issued ASU No. 2016-03 "Financial Instruments—Credit Losses ("Topic 326"). This guidance is intended to align the needs of the users of financial statements related to credit loss recognition and addresses the potential weakness from the delayed recognition of credit losses, resulting in an overstatement of assets. The amendments replace the current incurred loss methodology, which delays recognition until it is probable a loss has occurred, with one that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This guidance was effective for the Health System beginning October 1, 2023. The adoption of ASU No. 2016-03 did not have a material impact on the Health Systems financial position, or results of operations.

Forthcoming Accounting Pronouncements—In October 2021, FASB issued ASU No. 2021-08 "*Business Combinations ("Topic 805") – Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*." The amendments in this update require the acquiring entity to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. This guidance was effective for the Health System beginning October 1, 2024. The Health System will apply this guidance in consideration of any future business combinations that may occur on or after October 1, 2024.

In December 2023, FASB issued ASU No. 2023-09 "Income Taxes ("Topic 740")—Improvements to Income Tax Disclosures." The amendments in this update enhance transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This guidance will be effective for the Health System beginning October 1, 2026 and allows for early adoption. The Health System is still evaluating the impact this guidance may have on its consolidated financial statements.

Reclassifications—Certain amounts in the prior financial statements have been reclassified to conform to the presentation of the current period financial statement

2. OPERATING REVENUE

Operating revenue consists primarily of net patient service revenue, net premium revenue and capitated revenue. Revenue from patient's deductible and coinsurance are included in the categories presented below based on primary payor. Premium revenue primarily reflects the sale of individual and group insurance products through the Plan. Capitated revenue primarily represents contractual revenue from value-based arrangements with the Network.

Patient service revenue, net of contractual allowances and discounts by primary payor source, for the years ended September 30 were as follows:

	2024	2023
Commercial payors, patients, and other	$ 1,500,211	$ 1,274,513
Managed care other	250,361	252,564
Medicare program	562,645	460,257
Managed Medicare	289,265	252,795
Medicaid program	353,190	408,373
Medicaid value-based care	-	(1,859)
	$ 2,955,672	$ 2,646,643

The composition of net patient service revenue and other revenue based on major service lines for the years ended September 30 were as follows:

	2024	2023
Service lines:		
Hospital services	$ 2,496,217	$ 2,205,304
Physician services	459,455	441,339
Net patient service revenue by service line	2,955,672	2,646,643
Capitated revenue	1,034,819	1,085,084
Net premium revenue	29,639	12,066
Revenue from other sources	112,059	176,530
Total operating revenue	$ 4,132,189	$ 3,920,323

For the year ended September 30, 2024, the Health System received $42,300 for the 340B remedy lump sum settlement under the CMS November 8, 2023 Final Rule related to underpayments in the drug discount program for calendar years 2018 through 2022 that is included in net patient service revenue from Medicare.

3. ACCOUNTS RECEIVABLE AND CONCENTRATION OF CREDIT RISK

The Health System grants credit without collateral to its patients, most of whom are local residents and many of whom are insured under third-party payor agreements. Accounts receivable, reflected net of any contractual arrangements, as of September 30 were as follows:

	2024	2023
Commercial payors, patients, and other	$ 361,392	$ 316,440
Medicare program	112,873	97,743
Medicaid program	35,749	37,693
Non-patient	79,091	75,841
	$ 589,105	$ 527,717

The allowance for estimated uncollectible accounts is determined by analyzing both historical information (write-offs by payor classification), as well as current economic conditions.

4. LONG-LIVED ASSETS

Property, Plant, and Equipment

Property, plant, and equipment as of September 30 were as follows:

	2024	2023
Land	$ 85,525	$ 72,401
Buildings, land improvements, and fixed equipment	1,742,725	1,572,756
Major movable equipment and information technology	1,091,770	1,058,120
Total property, plant and equipment	2,920,020	2,703,277
Less accumulated depreciation:		
Buildings, land improvements, and fixed equipment	722,408	673,264
Major movable equipment and information technology	890,330	885,750
Total accumulated depreciation	1,612,738	1,559,014
Construction in process	192,762	227,613
Property, plant, and equipment—net	$ 1,500,044	$ 1,371,876

Depreciation expense was $116,673 and $121,386 for the years ended September 30, 2024 and 2023, respectively.

Leases

The following table presents the components of the Health System's right-of-use assets and lease obligations related to operating and finance lease obligations and their classification in the consolidated balance sheet as of September 30:

Components of Lease Balances	Consolidated Balance Sheet Classification	2024	2023
Assets:			
Operating lease right-of-use assets	Operating lease right-of-use assets	$ 113,476	$ 115,331
Finance lease assets	Property, plant, and equipment—net	31,013	33,778
Total leased assets		$ 144,489	$ 149,109
Liabilities:			
Current:			
Operating lease obligations	Current portion of operating lease obligations	$ 25,715	$ 23,743
Finance lease obligations	Current portion of long-term debt and finance lease obligations	1,488	2,106
Noncurrent:			
Operating lease obligations	Operating lease obligations	88,804	92,873
Finance lease obligations	Finance lease obligations	39,889	41,615
Total lease liabilities		$ 155,896	$ 160,337

The weighted-average remaining lease term and weighted-average discount rate as of and for the years ended September 30 were as follows:

Weighted-Average Remaining Term (years)	2024	2023
Operating leases	5.0	5.5
Finance leases	15.0	15.7
Weighted-Average Discount Rate		
Operating leases	4.76%	4.37 %
Finance leases	4.00	4.00

The components of lease expense and their classification in the consolidated statement of operations and changes in net assets for the years ended September 30 were as follows:

Components of Lease Expenses	Classification in Consolidated Statement of Operations and Changes in Net Assets	2024	2023
Operating lease expenses:			
Operating lease expenses	Other operating expenses	$ 32,166	$ 29,783
Short-term rent expenses	Other operating expenses	1,802	2,588
Variable lease expenses	Other operating expenses	2,868	2,412
Total operating lease expenses		36,836	34,783
Finance lease expenses:			
Amortization on leased assets	Depreciation and amortization	2,503	2,792
Interest on leased assets	Interest expense	1,700	1,793
Total finance lease expenses		4,203	4,585
Total lease expenses		$ 41,039	$ 39,368

Sublease income for the Health System was $1,298 and $875 for the years ended September 30, 2024 and 2023, respectively, and was reported as other revenue in the consolidated statements of operations and changes in net assets.

Supplemental cashflow information related to leases for the years ended September 30 includes:

	2024	2023
Cash paid for amounts included in the measurement of lease obligations:		
Operating cash outflows from operating leases	$ 37,020	$ 34,880
Operating cash outflows from finance leases	1,700	1,793
Financing cash outflows from finance leases	2,067	2,292
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	25,082	31,312

The following table reconciles the undiscounted minimum lease payment amounts to the operating and finance lease obligations on the balance sheet as of:

Years Ending September 30	Operating Leases	Finance Leases	Total
2025	30,402	3,109	33,511
2026	26,601	3,297	29,898
2027	23,888	3,363	27,251
2028	19,409	3,431	22,840
2029	16,349	3,499	19,848
Thereafter	12,554	39,082	51,636
Total lease payments	129,203	55,781	184,984
Less imputed interest	(14,684)	(14,404)	(29,088)
Present value of future minimum lease payments	114,519	41,377	155,896
Less current lease obligations	(25,715)	(1,488)	(27,203)
Long-term lease obligations	$ 88,804	$ 39,889	$ 128,693

The Health System leases out buildings or portions of buildings that it owns or leases. The following table sets forth the minimum rental income for those leases as of:

Years Ending September 30	Minimum Rental Revenue
2025	$ 2,562
2026	1,095
2027	860
2028	540
2029	452
Thereafter	129
	$ 5,638

The Health System's largest operating lease is for a multibuilding complex near our largest hospital, known as St. Luke's Plaza ("SLP"). On March 8, 2018, the Health System entered into a Master Lease agreement (the "Master Lease") to lease 582,527 square feet of office space in Boise, Idaho. At the time the Health System entered the Master Lease it only occupied a portion of the office space with the remainder being leased out to other third parties. Under the Master Lease the Health System assumed responsibility for managing all other leases at SLP and in exchange became the recipient of all payments for these third-party leases, in a sublet arrangement. Since the initial commencement of the Master Lease the Health System continues to increase the amount of space it occupies at SLP. The Master Lease is with the property owner BPH, a joint venture in which the Health System owns a membership interest of 49.5%. The Health System accounts for its ownership in BPH under the equity method of accounting. As of September 30, 2024, the future minimum payments of the Master Lease of SLP are expected to be $57,410 over the remaining term of the lease which ends March 7, 2030.

Goodwill

Goodwill, included in other assets, as of September 30, 2024 and 2023, consists of:

	2024	2023
Goodwill	$ 37,393	$ 37,393
Less accumulated amortization	(22,435)	(18,696)
Total Goodwill	$ 14,958	$ 18,697

Goodwill amortization expense was $3,739 for each of the years ending September 30, 2024 and 2023.

Expected future amortization expenses related to goodwill as of September 30, 2024, is as follows:

Years Ending September 30	Amortization
2025	$ 3,739
2026	3,739
2027	3,739
2028	3,741
	$ 14,958

5. ASSETS WHOSE USE IS LIMITED

Assets whose use is limited that will be used for obligations classified as current liabilities and the current portion of pledges receivable are reported in current assets. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value, based on quoted market prices of identical or similar assets.

The majority of the Health System's investments are independently advised and managed by independent investment managers. The following table sets forth the composition of assets whose use is limited as of September 30, 2024 and 2023:

	2024	2023
Board designated funds:		
Cash and cash equivalents	$ 26,570	$ 41,089
Mutual funds and other equities	383,593	452,711
Corporate bonds, notes, mortgages and asset-backed securities	479,638	481,755
Government and agency securities	312,354	139,406
Partnerships and joint ventures	212,577	197,607
Interest receivable	5,486	3,956
Due to donor restricted and permanent endowment funds	(71,010)	(58,384)
	1,349,208	1,258,140
Less amounts classified as current assets	(72,842)	(64,842)
Total board designated funds	1,276,366	1,193,298
Restricted funds:		
Cash and cash equivalents	4,069	26,022
Government and agency securities	-	5,993
Total restricted funds	4,069	32,015
Permanent endowment funds—due from Board designated funds	26,528	22,469
Donor restricted plant replacement and expansion funds and other specific purpose funds:		
Due from Board designated funds	44,483	35,915
Pledges receivable	6,441	3,200
Total donor restricted funds	50,924	39,115
Total assets whose use is limited	$ 1,357,887	$ 1,286,897

Net investment income for assets limited as to use, cash equivalents, and other investments for the years ended September 30, 2024 and 2023, are comprised of the following:

	2024	2023
Net investment income:		
Interest income	$ 48,108	$ 38,634
Realized gains (losses) on sales of securities and other investments	18,576	(13,004)
	$ 66,684	$ 25,630
Change in net unrealized gains on investments	$ 72,877	$ 38,513

Proceeds received from the Series 2021A Bonds are restricted to qualified expenditures related to projects of the Health System and are held by the Series 2021A Bond Trustee in a Construction Fund. The initial deposit was $100,865 and the remaining balance as of September 30, 2024, was $0.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are principally held by the Health System's wholly owned subsidiary, St. Luke's Health Foundation, Ltd. ("the Foundation") and have been donated for multiple programs and initiatives throughout the Health System, principally related to furthering the advancement of patient care. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. These assets are generally restricted for funding a specific program, capital projects, and other purposes. Other donor restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. These assets are generally restricted to provide ongoing income for a specific program.

Net assets with donor restrictions as of September 30, 2024 and 2023, for the following purposes, were as follows:

	2024	2023
Subject to expenditures for specified purpose:		
Equipment and expansion	$ 10,853	$ 9,738
Research and education	9,394	7,372
Charity and other	28,728	22,289
Total subject to specified purpose	48,975	39,399
Perpetual endowment:		
Equipment and expansion	464	275
Research and education	11,208	10,426
Charity and other	14,856	11,768
Total subject to permanent endowment	26,528	22,469
Total net assets with donor restrictions	$ 75,503	$ 61,868

The Health System's endowment consists of funds established for a variety of purposes. Endowments include both donor-restricted endowment funds and funds designated by the Board.

The composition of endowment net assets as of September 30, 2024 and 2023, were as follows:

	2024	2023
Donor-restricted endowment net assets	$ 26,528	$ 22,469
Board-designated endowment net assets	4,943	2,410
Total endowment net assets	$ 31,471	$ 24,879

Changes in endowment net assets during 2024 and 2023 were as follows:

	2024	2023
Endowment net assets—beginning of period	$ 24,879	$ 20,000
Investment (losses) returns	(192)	87
Unrealized gains	5,005	2,229
Contributions	2,391	3,158
Transfers to remove or add to Board-designated endowment funds	(612)	(595)
Endowment net assets—end of period	$ 31,471	$ 24,879

Periodically, the fair value of assets associated with the individual donor restricted endowment funds may fall below the level that the donor requires the Health System to retain as a fund of perpetual duration. Deficiencies of this nature did not exist for the years ended September 30, 2024 and 2023. The Health System has a policy that permits spending from underwater endowment funds, unless otherwise precluded by donor intent or relevant laws and regulations. The Health System's policy allows for up to 4.5% of the total investment pool balance on a 12-quarter average to be released annually from the endowment to support designated programs. This policy also applies to underwater endowments.

7. DEBT

Long-term debt as of September 30, 2024 and 2023, consists of the following:

	2024	2023
Obligations to Idaho Health Facilities Authority:		
Series 2014A Fixed Rate Bonds	$ 160,780	$ 161,870
Series 2014A Fixed Rate Bond Premium	6,986	7,346
Series 2018A Fixed Rate Bonds	142,910	148,365
Series 2018A Fixed Rate Bond Premium	14,012	14,599
Series 2018B Taxable Fixed Rate Bonds	149,910	149,910
Series 2018C Variable Rate Revenue Bonds	73,760	73,760
Series 2018D Variable Rate Direct Purchase	70,000	70,000
Series 2021A Fixed Rate Bonds	218,595	218,595
Series 2021A Fixed Rate Bond Premium	20,580	21,563
Series 2022A Variable Rate Term Loan	75,000	75,000
Series 2022B Fixed Rate Term Loan	50,000	50,000
Series 2022C Fixed Rate Term Loan	75,000	75,000
Series 2022D Fixed Rate Term Loan	50,000	50,000
Banc of America Public Capital Corp Equipment Financing	9,394	14,634
Finance lease obligations	41,377	43,721
Notes payable	32,777	-
Total debt and finance lease obligations	1,191,081	1,174,363
Less current portion	20,944	15,821
Total long term debt, excluding deferred financing costs	1,170,137	1,158,542
Deferred financing costs	(6,149)	(5,909)
Total long term debt and finance lease obligations	$ 1,163,988	$ 1,152,633

As of September 30, 2024, the maturity schedule of long-term debt, excluding deferred financing costs, is as follows:

Years Ending September 30	Long-Term Debt	Finance Leases	Total
2025	$ 19,457	$ 3,107	$ 22,564
2026	127,398	3,297	130,695
2027	20,323	3,363	23,686
2028	72,269	3,431	75,700
2029	23,132	3,499	26,631
Thereafter	887,125	39,084	926,209
	$ 1,149,704	55,781	1,205,485
Less imputed interest		(14,404)	(14,404)
		$ 41,377	$ 1,191,081

Obligations to Idaho Health Facility Authority

Series 2014A—Represents Fixed Rate Revenue Bonds, payable in annual installments ranging from $170 to $16,080 beginning March 2016 through March 2044. The Series 2014A Bonds bear interest at a fixed rate ranging from 2.00% to 5.00% per annum calculated on the basis of a 360-day year comprised of 12 30-day months and are payable on March 1 and September 1 of each year. The average interest rate during 2024 was 4.81%.

The Series 2014A Bonds maturing on or after March 1, 2025, are subject to redemption prior to maturity at the option of the Health System on or after March 1, 2024.

Series 2018A—Represents Fixed Rate Revenue Bonds, payable in annual installments ranging from $995 to $18,285 beginning March 2020 through March 2048. The Series 2018A Bonds bear interest at a fixed rate ranging from 4.00% to 5.00% per annum calculated on the basis of a 360-day year comprised of 12 30-day months and are payable on March 1 and September 1 of each year. The average interest rate during 2024 was 4.79%.

The Series 2018A Bonds maturing on or after March 1, 2029, are subject to redemption prior to maturity at the option of the Health System on or after September 1, 2028.

Series 2018B—Represents taxable Fixed Rate Revenue Bonds, payable in annual installments ranging from $7,705 to $49,160 beginning March 2039 through March 2048. The Series 2018B Bonds bear interest at a fixed rate of 5.02% per annum calculated on the basis of a 360-day year comprised of 12 30-day months and are payable on March 1 and September 1 of each year. The average interest rate during 2024 was 5.02%.

The Series 2018B Bonds are subject to redemption prior to maturity at the option of the Health System. The Series 2018B Bonds may be converted to another interest rate mode at the option of the Health System upon compliance with certain conditions set forth in the bond documents.

Series 2018C—Represents Variable Rate Revenue Bonds, payable in annual installments ranging from $600 to $6,000 beginning March 2026 through March 2048. The interest on the Series 2018C Bonds is payable monthly, as the Series 2018C Bonds are currently held in the Daily Mode and supported by an irrevocable direct pay letter of credit. At the option of the Health System, the Series 2018C Bonds may be converted to the Weekly Mode, Commercial Paper Mode, Adjustable Long Mode, Bank Loan Mode, Index Mode, FRN Rate Mode, Fixed Mode or another Daily Mode upon compliance with certain conditions set forth in the bond documents. The average interest rate during 2024 was 3.80%.

The Series 2018C Bonds are subject to redemption prior to maturity at the option of the Health System and, while in a Daily Mode or Weekly Mode, to optional tender by the bondholder. In the event of optional tender of the bonds, funds for repayment of the purchase price of the bonds are available from a letter of credit facility, which is scheduled to expire on June 30, 2025. As of September 30, 2024, the bonds were in the Daily Mode.

Series 2018D—Represents a Variable Rate Direct Purchase Bond, payable in annual installments ranging from $555 to $5,660 beginning March 2026 through March 2048. The interest on the Series 2018D Bonds is payable monthly, as the Series 2018D Bonds are currently held in the SOFR Index Mode. At the conclusion of the initial SOFR Index Mode (July 1, 2026) and at the option of the Health System, the Series 2018D

Bonds may be converted to the Daily Mode, Weekly Mode, Commercial Paper Mode, Adjustable Long Mode, Bank Loan Mode, another Index Mode, FRN Rate Mode, or the Fixed Mode upon compliance with certain conditions set forth in the bond documents. The average interest rate during 2024 was 5.04%.

Series 2021A—Represents Fixed Rate Revenue Bonds, payable in annual installments ranging from $770 to $32,895 beginning March 2026 through March 2051. The Series 2021A Bonds bear interest at a fixed rate ranging from 3.00% to 5.00% per annum calculated on the basis of a 360-day year comprised of 12 30-day months and are payable on March 1 and September 1 of each year. The average interest rate during 2024 was 3.72%.

The 2021A Bonds maturing on or after March 1, 2033, are subject to redemption prior to maturity at the option of the Health System on or after March 1, 2032.

2022A Term Loan—Represents Variable Rate Term Loan with $75,000 payable in full at maturity, October 17, 2025. Interest is variable and payable monthly. The average interest rate during 2024 was 6.03%.

2022B Term Loan—Represents a Fixed Rate Term Loan with $50,000 payable in full at maturity, October 15, 2027. The 2022B Term Loan bears interest at a fixed rate of 4.38% per annum calculated on the basis of a 360-day year and the actual number of days elapsed. Interest payments are made quarterly on January 1, April 1, July 1, and October 1 of each year. The average interest rate during 2024 was 4.45%.

2022C Term Loan—Represents a Fixed Rate Term Loan with $75,000 payable in full at maturity, March 1, 2030. The 2022C Term Loan bears interest at a fixed rate of 4.62% per annum calculated on the basis of a 360-day year comprised of 12 30-day months payable on March 1 and September 1 of each year. The average interest rate during 2024 was 4.62%.

2022D Term Loan—Represents a Fixed Rate Term Loan payable in annual installments ranging from $1,185 to $44,945 beginning March 2028 through March 2032. The 2022D Term Loan bears interest at a fixed rate of 4.62% per annum calculated on the basis of a 360-day year comprised of 12 30-day months payable on March 1 and September 1 of each year. The average interest rate during 2024 was 4.62%.

Banc of America Public Capital Corp—Represents ten-year debt financing, payable in quarterly installments, which include principal and interest of $1,366 beginning August 2016 through May 2026. The Banc of America Public Capital Corp debt is secured by the Health System's EHR system and bears interest at a fixed rate of 1.756% per annum payable quarterly on February 18th, May 18th, August 18th, and November 18th.

Notes Payable— Represents a loan for the construction of a building within ATSAW, a joint venture in which the Health System owns a membership interest of 49%. Interest is payable on a monthly basis. Per the agreements, the principal amount is due upon the note's maturity on September 5, 2026. Interest is fixed at 8.33%. Refer to Equity Method Investment within Footnote 1 for additional details regarding consolidated equity investments.

Lines of Credit—The Health System has an unsecured credit agreement with Key Bank, N.A. The agreement allows for borrowings up to $60,000 and has a maturity date of March 1, 2027 In the event that principal amounts are outstanding, interest is incurred at the SOFR plus a margin of .65%. The line of credit, among other things, contains a non-usage fee on the actual daily unborrowed portion of the principal amount available at the

rate of one-tenth of 1% per annum. There were no amounts outstanding as of September 30, 2024 and 2023.

The Health System carries insignificant unsecured credit balances with Wells Fargo Bank, N.A. for working capital strategy needs such as vendor payments and employee reimbursements. Principal amounts are paid in full on a monthly basis and no interest was incurred related to these balances for the years ended September 30, 2024 and 2023.

Interest Costs—During the years ended September 30, 2024 and 2023, the Health System incurred total interest costs of $50,609 and $48,688, respectively. During 2024 and 2023, $7,002 and $9,244, respectively, has been capitalized and is reflected as a component of property, plant, and equipment. During the years ended September 30, 2024 and 2023, the Health System made cash payments for interest of $52,194 and $48,803, respectively, and cash payments for bond fees of $1,271 and $1,028, respectively.

Covenants—Debt agreements held by the Health System include a range of required covenants, provisions, and conditions. The primary covenants are related to minimum debt service coverage, unrestricted cash positions, minimum credit ratings, and maximum indebtedness to capitalization. As of September 30, 2024, the Health System was in compliance with all covenants, provisions and conditions required by outstanding agreements.

8. EMPLOYEE RETIREMENT PLANS

Defined Benefit Plans—The St. Luke's Regional Medical Center, Ltd. Basic Pension Plan (the "SLRMC Plan") covers substantially all eligible employees employed by the Health System (with the exception of St. Luke's Magic Valley Regional Medical Center, Ltd. ("SLMV")) employees on or before December 31, 1994. The SLRMC Plan was amended and restated effective January 1, 1995, to exclude employees hired on or after that date from participation in the SLRMC Plan; however, the SLRMC Plan remains in effect for those participants who qualify and were hired prior to January 1, 1995. Employees eligible for the SLRMC Plan with five or more years of service are entitled to annual pension benefits beginning at normal retirement age (65), or after obtaining age 62 with 25 years of service, equal to a percentage of their highest five-year average annual compensation, not to exceed a certain maximum. The Health System makes annual contributions to the SLRMC Plan as necessary.

The SLMV Plan covers substantially all eligible SLMV employees employed by SLMV on or before April 1, 2005. The SLMV Plan was amended and restated effective April 1, 2005, to exclude employees hired on or after that date from participation in the SLMV Plan. The SLMV Plan remained in effect for those participants whose sum of their age plus years of credited service exceed 65 or who exceeded 10 years of service as of April 1, 2005, however, benefits were frozen for all participants effective September 30, 2010. Participants are entitled to annual pension benefits beginning at normal retirement age (65), or after obtaining age 60 with 30 years of service, equal to a calculation based on either average annual compensation or credited service.

On October 28, 2022, the Health System issued a notice of intent to terminate the SLMV Plan. The plan termination date was December 31, 2022, and all required notices, government approvals, participant elections, distributions of plan assets, and other administrative work was completed in March 2024. The Health System received a determination letter from the IRS indicating that plan termination did not affect its qualification for federal tax purposes. The plan termination involved lump sum payments

and an annuity purchase, which triggered a settlement charge under ASC 715. The Health System recognized a loss on settlement of $17,845 during the year ended September 30, 2024, upon substantial completion of the lump sums and the purchase of an irrevocable annuity contract. Final asset reversion is not complete but is expected to occur in March 2025. Upon final asset reversion, the Health System will recognize a gain/(loss) upon settlement of the defined benefit obligations through the payment of the remaining lump sums.

The following table sets forth the SLRMC Plan and the SLMV Plan (collectively the "Plans") funded status, amounts recognized in the Health System's consolidated financial statements and other related financial information:

	SLRMC	SLMV	Total 2024	Total 2023
Projected benefit obligation for service rendered to date	$ 157,783	$ 1,440	$ 159,223	$ 181,905
Plan assets—at fair value	153,280	2,441	155,721	175,364
Funded status	$ (4,503)	$ 1,001	$ (3,502)	$ (6,541)
Employer contributions	$ 7,000	$ -	$ 7,000	$ 7,000
Accrued pension liability (all noncurrent)	4,503	-	4,503	7,514
Accrued pension asset	-	(1,001)	(1,001)	(973)
Change in funded status	(4,778)	28	(4,750)	(953)
Benefits paid	10,518	-	10,518	16,105
Settlements paid	-	37,962	-	-
Accumulated benefit obligation	151,217	1,440	152,657	175,781

The following table presents the pension benefit costs:

	SLRMC	SLMV	Total 2024	Total 2023
Service cost	$ 1,164	$ -	$ 1,164	$ 1,258
Interest cost	8,281	455	8,736	9,613
Expected return on plan assets	(6,713)	(388)	(7,101)	(6,922)
Amortization of prior service cost	-	-	-	32
Amortization of net loss	1,951	289	2,240	2,140
Net periodic pension cost	4,683	356	5,039	6,121
Settlement cost	-	17,845	17,845	-
Total cost	$ 4,683	$ 18,201	$ 22,884	$ 6,121

Service cost is recorded on the consolidated statement of operations, within the line-item employee compensation and benefits. The other components of net periodic benefit cost are

recorded in the statement of changes in net assets, as other components of net periodic pension cost. The settlement costs are recorded in non-operating (loss) income.

Amounts recognized in net assets without donor restrictions related to the Plans at September 30, consist of:

	Total 2024	Total 2023
Net actuarial gain	$ 21,840	$ 43,001

The measurement date used to determine pension benefits is September 30. Contributions to the Plans for the year ending September 30, 2025 are expected to be approximately $0.

The overall investment strategy and policy has been developed based on the need to satisfy the long-term liabilities of the Plans. Asset class allocations are determined on a sliding scale according to the funded status of each individual plan. Risk management is accomplished through diversification across asset classes, multiple investment manager portfolios, and both general and portfolio-specific investment guidelines. The asset allocation guidelines for the Plans, including allocation ranges, are as follows:

	Target SLRMC	Allocation Range
Asset Class:		
Core Real Estate	- %	-3% / 3 %
Liability Hedging Fixed	100	-8 / 8
Cash Equivalents	-	N/A / 3

Managers are expected to generate a total return consistent with their philosophy and outperform both their respective peer group medians and an appropriate benchmark, net of expenses, over a one-, three-, and five-year period. The investment guidelines contain categorical restrictions such as no commodities, short-sales and margin purchases; and asset class restrictions that address such things as single security or sector concentration, capitalization limits and minimum quality standards.

Expected long-term returns on the Plans' assets are estimated by asset classes, and are generally based on historical returns, volatilities, and risk premiums. Based upon the Plans' asset allocation, composite return percentiles are developed upon which the Plans' expected

long-term return is determined. As of September 30, 2024, the amounts and percentages of the fair value of Plans' assets were as follows:

	SLRMC		SLMV	
Core Real Estate	$ 3,343	2 %	$ -	- %
Liability Hedging Fixed	147,063	96	-	-
Cash Equivalents	2,874	2	2,441	100
Total	$ 153,280	100 %	$ 2,441	100 %

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid from the SLRMC Plan:

	Total SLRMC
2025	$ 12,733
2026	12,755
2027	12,793
2028	12,770
2029	12,877
Thereafter	59,416
	$ 123,344

Assumptions used in determining the actuarial present value of net periodic benefit cost of the Plans were as follows:

SLRMC	**2024**	**2023**
Service cost discount rate	6.03 %	5.55 %
Service cost interest rate	5.99	5.58
Interest cost rate on benefit obligations	5.94	5.49
Rate of increase in future compensation levels	2.00–4.00	2.00–4.00
Expected long-term rate of return on assets	4.70	5.60
SLMV		
Service cost discount rate	N/A	N/A
Service cost interest rate	N/A	N/A
Interest cost rate on benefit obligations	5.26 %	5.26 %
Expected long-term rate of return on assets	N/A	2.60

Assumptions used in determining the actuarial present value of projected benefit obligation of the Plans were as follows:

SLRMC	**2024**	**2023**
Weighted average discount rate	5.01 %	6.01 %
Rate of increase in future compensation levels	2.00–4.00	2.00–4.00
SLMV		
Weighted average discount rate	5.34 %	5.80 %

The principal cause of the change in the unfunded pension liability was due to the settlement, participant movement, plan experience, passage of time and a decrease in the discount rate, offset by employer contributions and overall market performance.

Supplemental Retirement Plan for Executives—The Supplemental Retirement Plan for Executives ("SERP") is a non-qualified retirement plan for certain executives of the Health System. The following table sets forth the funded status, amounts recognized in the Health System's consolidated financial statements, and other SERP financial information:

	2024	**2023**
Projected benefit obligation for service rendered to date	$ 18,482	$ 17,365
Plan assets—at fair value	-	-
Funded status	$ (18,482)	$ (17,365)
Employer paid benefits	$ 1,563	$ 1,563
Accrued pension liability (noncurrent)	16,936	15,817
Accrued pension liability (current)	1,546	1,548
Change in funded status	118	(1,864)
Accumulated benefit obligation	18,482	17,365

The following table presents the pension benefit costs:

	2024	**2023**
Interest cost	$ 984	$ 1,007
Amortization of net (losses)	(85)	(1,236)
Net periodic pension cost	$ 899	$ (229)

Service cost is recorded on the consolidated statement of operations, within the line-item employee compensation and benefits. The other components of net periodic benefit cost are recorded in the statement of changes in net assets, as other components of net periodic pension cost.

Due to its non-qualified status, the SERP is considered unfunded under the Employee Retirement Income Security Act, as disclosed above. The Health System has set aside funds

in a Rabbi Trust for the purpose of funding the SERP. The Rabbi Trust asset balance on September 30, 2024 and 2023, was $25,939 and $21,342, respectively.

The measurement dates used to determine pension benefits is September 30. The Health System expects to make approximately $1,546 of benefit payments directly to plan participants for the year ending September 30, 2024. The projected benefit obligation decrease was primarily driven by participant movement, plan experience, the passage of time, and an increase in the discount rate.

Amounts recognized in net assets without donor restrictions related to the SERP on September 30, 2024 and 2023, consist of:

	2024	2023
Net actuarial gains	$ 1,450	$ 3,231

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid from the SERP:

	Benefit Payments
2025	$ 1,546
2026	1,531
2027	1,515
2028	1,496
2029	1,476
Thereafter	6,964
	$ 14,528

Assumptions used in determining the actuarial present value of net periodic benefit cost were as follows:

	2024	2023
Spot discount rates	5.93–6.01 %	5.46–5.61 %
Rate of increase in future compensation levels	4.00	4.00

Assumptions used in determining the actuarial present value of projected benefit obligation were as follows:

	2024	2023
Weighted average discount rate	4.94 %	6.00 %
Rate of increase in future compensation levels	4.00	4.00

Defined Contribution Plan—The Health System sponsors two defined contribution plans (the “Contribution Plans”) that cover substantially all employees. The Health System’s contributions to these Contribution Plans are at the discretion of the Board. Amounts contributed are allocated to participants based on individual compensation amounts, years

of service, and the participant's level of participation in tax deferred annuity programs. During 2024 and 2023, contributions to these Contribution Plans were $61,343 and $56,691, respectively.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of ASC 825, "*Financial Instruments"*. The Health System accounts for certain assets and liabilities at fair value or on a basis that is approximate to fair value. The estimated fair value amounts have been determined by the Health System using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Health System could realize in a current market exchange.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value should be based on the assumptions that the market participants would use, including a consideration of nonperformance risk.

The Health System assesses the inputs used to measure fair value using a three-level hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. The fair value hierarchy is as follows:

Level 1—Quoted (unadjusted) prices for identical assets or liabilities in active markets that the Health System has the ability to access.

Level 2—Other observable inputs, either directly or indirectly, including: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified or contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3—Unobservable inputs for the asset or liability. The determination to measure the asset or liability as a level 3 depends on the significance of the input to the fair value measurement.

The asset or liability fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In instances where the inputs used to measure fair value fall into different levels of the hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Health System's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. The Health System's policy is to recognize transfers between all levels as of the beginning of the reporting period.

Following is a description of the valuation methodologies used for the Health System's assets or liabilities measured at fair value.

Cash and Cash Equivalents—The carrying amounts reported in the balance sheet approximate their fair value.

Accounts Receivables, Accounts Payable, Accrued Liabilities, and Estimated Payable to Medicare and Medicaid Programs—The carrying amounts reported in the balance sheet approximate their fair value.

Assets Whose Use is Limited—These assets consist primarily of cash and cash equivalents, mutual funds, debt and equity securities, assets within limited partnerships, and pledges receivable. For cash and cash equivalents, pledges receivable and interest receivable, the carrying amount reported in the balance sheet approximates fair value.

For mutual funds the fair value is based on the value of the daily closing price as reported by the fund. Mutual funds held by the Health System are open-end mutual funds that are registered with the Securities and Exchange Commission. The mutual funds held by the Health System include funds that are traded on both active and inactive markets.

For equities (common stock), the fair value is based on the value of the closing price reported on the active market on which the individual securities are traded.

For government obligations, the fair value is measured using pricing models maximizing the use of observable inputs for similar securities.

For commercial paper, the fair value is based on amortized cost with observable inputs, including security cost, maturity, and credit rating.

For debt securities, the fair value is measured using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flows, and other pricing models. These models are primarily industry standard models that consider various assumptions, including time value and yield curve as well as other relevant economic measures.

For Limited Partnerships (LP's) the fair value of each of the funds are derived from their net asset values ("NAV") disclosed on their financial statements. Domestic LP's follow GAAP and international LP's follow the International Financial Reporting Standards ("IFRS"). The assets held were further considered for level of inputs used. When quoted prices are not available for identical or similar assets, real estate assets are valued under a discounted cash flow or lender survey approach that maximizes observable inputs but includes adjustments for certain risks that may not be observable, such as cap and discount rates, maturities and loan to value ratios.

For investments for which no market prices are readily available, LP's will mark assets on a quarterly basis considering all factors, information and data deemed by the LP to be pertinent. A discounted cash flow approach for asset acquisitions and a quantitative model for debt investments is used. In addition, a yield analysis is performed that assesses the expected market yield for an investment with a similar level of risk. LP's have formal valuation committees that meet regularly to discuss the appropriateness of the valuations for each respective investment. Lastly, LP's employ multiple third-party valuation consultants to provide positive assurance on all market value determinations at least once during a trailing 12-month period.

The following tables set forth by level within the fair value hierarchy a summary of the Health System's investments measured at fair value on a recurring basis:

	Fair Value Measurements as of September 30, 2024, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Cash and cash equivalents	$ 30,639	$ -	$ -	$ 30,639
Mutual funds and other equities	-	383,593	-	383,593
Government and agency securities	-	312,354	-	312,354
Partnerships and joint ventures	-	-	212,577	212,577
Corporate bonds, notes, mortgages and asset-backed securities	-	454,025	-	454,025
Subtotal	$ 30,639	$ 1,149,972	$212,577	1,393,188
Investments measured at net asset value:				
Mortgages and asset-backed securities				25,614
Total assets				$ 1,418,802

	Fair Value Measurements as of September 30, 2023, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments:				
Cash and cash equivalents	$ 67,111	$ -	$ -	$ 67,111
Mutual funds and other equities	77,919	374,792	-	452,711
Government and agency securities	29,154	116,245	-	145,399
Partnerships and joint ventures	-	-	197,607	197,607
Corporate bonds, notes, mortgages and asset-backed securities	-	448,867	-	448,867
Subtotal	$ 174,184	$ 939,904	$ 197,607	1,311,695
Investments measured at net asset value:				
Mortgages and asset-backed securities				32,888
Total assets				$ 1,344,583

The Health System's use of Level 3 unobservable inputs accounts for 15.26% and 15.06%, respectively, of the total fair value of assets as of September 30, 2024 and 2023. For the years ending September 30, 2024 and 2023, there were no transfers of assets into or out of Level 3.

The following table summarizes the changes in Level 3 assets measured at fair value as of September 30:

	2024	2023
Beginning balance	$ 197,607	$ 63,822
Purchases	22,424	137,611
Sales	(22,065)	(3,578)
Realized and unrealized gains (losses)	14,611	(248)
Ending Balance	$ 212,577	$ 197,607

Fair Value of Pension Plan Assets—In addition to the types of assets listed above as held by the Health System, the Plans also hold assets within limited liability companies and common collective trusts.

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plans are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price.

Government obligations are valued at pricing models maximizing the use of observable inputs for similar securities.

For limited liability companies the fair value of each of the funds are derived from their "NAV" disclosed on their financial statements. The assets held were further considered for level of inputs used. When quoted prices are not available for identical or similar assets, real estate assets are valued under a discounted cash flow or lender survey approach that maximizes observable inputs but includes adjustments for certain risks that may not be observable, such as cap and discount rates, maturities and loan to value ratios.

Common collective trusts are valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Were the Plans to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The following table sets forth by level, based on the hierarchy requirements for fair value guidance outlined previously, a summary of the assets of the Plans measured at fair value on a recurring basis:

	Fair Value Measurements as of September 30, 2024, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Pension assets:				
Cash and cash equivalents	$ 5,315	$ -	$ -	$ 5,315
International stocks	-	11,974	-	11,974
Corporate bonds, notes, mortgages and asset backed securities	-	91,955	-	91,955
Government and agency securities	-	43,134	-	43,134
Limited partnerships and liability companies	-	-	3,343	3,343
Subtotal	$ 5,315	$ 147,063	$ 3,343	$ 155,721

	Fair Value Measurements as of September 30, 2023, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Pension assets:				
Cash and cash equivalents	$ 8,819	$ -	$ -	$ 8,819
Domestic mutual funds	-	110,219	-	110,219
International mutual funds	-	19,513	-	19,513
International stocks	-	3,476	-	3,476
Corporate bonds, notes, mortgages and asset backed securities	-	22,970	-	22,970
Government and agency securities	5,336	376	-	5,712
Limited partnerships and liability companies	-	-	4,655	4,655
Subtotal	$ 14,155	$ 156,554	$ 4,655	$ 175,364

The Health System's use of Level 3 unobservable inputs accounts for 2.15% and 2.65%, respectively, of the total fair value of the Plans assets as of September 30, 2024 and 2023. For the years ending September 30, 2024 and 2023, there were no transfers of the Plans assets into or out of Level 3.

The following table summarizes the changes in Level 3 assets measured at fair value as of September 30:

	2024	2023
Beginning balance	$ 4,654	$ 6,175
Sales	(752)	(921)
Realized and unrealized (losses)	(679)	(814)
Allocation of capital (losses)	(63)	-
Miscellaneous fees	(31)	(34)
Interest received	214	249
Ending Balance	$ 3,343	$ 4,655

Unrealized Gains and Losses—The unrealized gains and losses on investment accounts as of September 30, 2024, were determined to be temporary in nature as the change in market value for these assets was the result of fluctuating interest rates and market activity rather than the deterioration of the credit worthiness of the issuers. In the event that the Health System disposes of these securities before maturity, it is expected that the realized gains or losses, if any, will be immaterial both quantitatively and qualitatively to the statement of operations and financial position as of the Health System's fiscal year end.

The following tables show the Health System's investments' fair values and gross unrealized losses for individual securities that have been in a continuous loss position for 12 months or less as of September 30, 2024, and those that have been in a loss position for 12 months or more as of September 30, 2024. These investments are interest-yielding debt securities of varying maturities. The Health System has determined that the unrealized loss position for these securities is primarily due to market volatility and therefore an allowance for credit losses is unnecessary. Generally, in a rising interest rate environment, the estimated fair value of fixed income securities would be expected to decrease; conversely, in a decreasing interest rate environment, the estimated fair value of fixed income securities would be expected to increase. These securities may also be negatively impacted by illiquidity in the market.

	In a Continuous Loss Position for Less than 12 Months		
	Estimated Fair Value	Unrealized (Losses)	Total Number of Positions
Corporate bonds, notes, mortgages and asset-backed securities	$ 26,663	$ (751)	40
Mutual funds and other equities	25,619	(494)	11
Government and agency securities	60,900	(198)	32
Cash and cash equivalents	(973)	(30)	16
Partnerships and joint ventures	10,601	(993)	4
Total	$ 122,810	$ (2,466)	103

	In a Continuous Loss Position for more than 12 Months		
	Estimated Fair Value	Unrealized (Losses)	Total Number of Positions
Corporate bonds, notes, mortgages and asset-backed securities	$ 65,439	$ (2,159)	208
Mutual funds	10,879	(1,018)	4
Government and agency securities	30,017	(2,698)	129
Cash and cash equivalents	(97)	(194)	1
Partnership and joint ventures	34,400	(6,762)	2
Total	$ 140,638	$ (12,831)	344

The fair value estimates presented herein are based on pertinent information available to management as of September 30, 2024. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date, and current estimates of fair value may differ significantly from the amounts presented herein.

10. COMMITMENTS AND CONTINGENCIES

The Health System uses a combination of self-insurance and commercial insurance to provide protection from multiple exposures for its hospitals and other entities.

Healthcare Professional and General Liability coverage is provided through the Captive. The Captive reimburses the Health System for liability up to $3 million per claim (plus a $2 million per claim/$2 million aggregate buffer), healthcare professional liability, and $3 million per claim, general liability, with a $15 million combined annual aggregate. Coverage is provided on a claims-made and reported basis for both types of described coverage. The Health System makes contributions to the Captive based on funding levels recommended by an independent actuary.

The Captive provides the Health System with excess professional and general liability coverage up to a limit of $60 million. Two towers of coverage are provided. One tower for a total of $60 million in limits is provided for excess professional liability and a separate tower for a total of $60 million in limits is provided for excess general liability, automobile liability, ambulance liability, employer's liability, and aviation liability. Coverage is provided on a claims-made and reported basis for professional and general liability. Coverage is provided on an occurrence basis for automobile liability, ambulance liability, employer's liability, and aviation liability. The Captive excess professional and general liability policy is 100% reinsured by various third-party reinsurers. Should the Captive reinsurers be unable to reimburse the Health System for recoverable claims, the Captive would still be liable to pay the claims; however, the Captive only contracts with highly rated insurance carriers in order to mitigate this risk.

The Health System is self-insured for workers' compensation claims up to $750,000 per occurrence for incidents occurring in the State of Idaho. Excess coverage is purchased from a commercial insurer. Coverage is provided for statutory limits. A separate guaranteed cost workers' compensation policy is purchased from a commercial insurer for employees that normally work in states other than Idaho.

The Health System also purchases commercial policies for property, environmental, directors and officer's liability, employment practices liability, automobile and ambulance liability, helipad and non-owned aircraft liability, privacy cyber network security liability, fiduciary liability, employed lawyers, managed care errors and omissions, crime, and kidnap and ransom exposures. These policies are issued with varying limits and deductibles/retentions.

The Captive also issues deductible reimbursement policies to the Health System for liability up to $1.5 million for Privacy/Network security liability claims and up to $100,000 ($250,000 for water damage) for Property claims.

Idaho imposes a cap on non-economic damages per claimant for personal injury or wrongful death claims. As of July 1, 2024, this cap was approximately $490,512 per claimant and adjusts annually based on average annual wage increases or decreases. The Health System maintains reserves based primarily on actuarial estimates provided by an independent third party for the portion of its professional liability risks, including incurred but not reported claims, for which it does not have insurance coverage. Reserves for losses and related expenses are estimated using expected loss reporting patterns and are discounted to their present value using a discount rate of 3.0%. There can be no assurance that the ultimate liability will not exceed such estimates. Adjustments to the estimated reserves are included in results of operations in the periods when such amounts are determined. As of September 30, 2024 and 2023, the Health System had professional liability recorded in accounts payable and accrued liabilities in the amounts of $33,850 and $36,674, respectively.

As of September 30, 2024 and 2023, the Health System had commitments on construction contracts and equipment purchases totaling $157,349 and $92,430, respectively.

The Health System is routinely involved in other litigation matters and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management estimates that each of these matters will be resolved without material effect on the Health System's future financial position, results of operations, or cash flows.

11. FUNCTIONAL EXPENSES

The Health System provides medical and healthcare services to residents within its geographic location. Expenses from continuing operations related to providing these services for the years ended September 30, 2024 and 2023, are allocated as follows:

	2024	2023
Professional, nursing, and other patient care services	$ 3,304,908	$ 3,213,023
Fiscal and administrative support services	760,188	643,592
	$ 4,065,096	$ 3,856,615

12. INCOME TAXES

Income tax expense for the Health System differs from the income tax expense at the U.S. federal statutory tax rate of 21% due to state taxes, net of a federal benefit, nondeductible business meals and entertainment expenses, and tax-exempt earnings of our not-for-profit entities.

Deferred income taxes resulted from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, resulting in taxable or deductible amounts in future years and net operating loss carryforwards ("NOLs").

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing DTAs for each of the Health System's legal entities. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended September 30, 2024. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future growth.

As of September 30, 2024, the Health System has net operating loss carryforwards in the amount of $231,900 and $199,200 for federal and state jurisdictions, respectively. The NOLs are set to expire in years 2025 through 2044. The Health System does not believe that it is more likely than not they will utilize these losses prior to their expiration and as such has provided a full valuation allowance against these losses. The amount of the DTA considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as our projections for growth.

The Health System accounts for uncertain tax positions in accordance with ASC 740. Management is not aware of any uncertain tax positions that should be recorded. The Health System includes penalties and interest, if any, with its provision for income taxes in the non-operating items in the consolidated statements of operations and changes in net assets.

The Health System is subject to taxation in the United States and Idaho jurisdictions. As of September 30, 2024, the Health System's tax years for 2020, 2021, 2022, 2023 and 2024 are subject to examination by the tax authorities. As of September 30, 2024, the Health System is no longer subject to U.S. Federal or Idaho examinations by tax authorities for tax years before 2020.

13. SUBSEQUENT EVENTS

The Health System has evaluated subsequent events through December 12, 2024. This is the date the financial statements were available to be issued.

* * * * * *

APPENDIX C

FORM OF MASTER INDENTURE

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ST. LUKE'S HEALTH SYSTEM, LTD.

and

COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION,
as Master Trustee

MASTER TRUST INDENTURE
(SECOND AMENDED AND RESTATED)

DATED AS OF MAY 1, 1995
AND
AMENDED AND RESTATED AS OF FEBRUARY 1, 2025

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THIS MASTER TRUST INDENTURE (SECOND AMENDED AND RESTATED) (herein referred to as this "***Master Indenture***"), dated as of May 1, 1995, as amended and restated as of August 1, 2018, and as further amended and restated as of February 1, 2025 and effective as of the Effective Date referred to herein, by and between ST. LUKE'S HEALTH SYSTEM, LTD., a nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of Idaho (herein, together with its successors and assigns hereunder, referred to as the "***Corporation***"), on behalf of itself as a Member of the Obligated Group and as Obligated Group Representative, and COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION, as successor to Wells Fargo Bank, National Association, a national banking association duly organized under the laws of the United States of America and being duly qualified to accept and administer the trusts created hereby (herein, together with any successor to the trust herein granted, referred to as the "***Master Trustee***"):

WITNESSETH

WHEREAS, all capitalized terms used herein and not otherwise defined have the meanings assigned thereto in *Article I* of this Master Indenture; and

WHEREAS, the Corporation is authorized and deems it necessary and desirable to enter into this Master Indenture for the purpose of providing for the issuance from time to time by the Corporation or other Members of the Obligated Group of Obligations to finance or refinance the acquisition, construction, equipping or improvement of health care facilities or other facilities, or for other lawful and proper purposes; and

WHEREAS, the Corporation also desires to provide in this Master Indenture, to the extent legally permissible, for other legal entities to join with it in pooling credit resources in order to achieve lower borrowing costs and to become jointly and severally liable with the Members of the Obligated Group for the payment of the Obligations and the performance of all covenants contained herein; and

WHEREAS, this Master Indenture constitutes an amendment and restatement of the Master Trust Indenture, dated as of August 1, 2018, as previously supplemented and amended (the "***Original Master Indenture***"), which amended and restated the Master Trust Indenture, dated as of May 1, 1995, as previously supplemented and amended, by and between the Corporation and the Master Trustee; and

WHEREAS, pursuant to *Section 6.02* of the Original Master Indenture, the Obligated Group Representative, on behalf of the Members of the Obligated Group, and the Master Trustee desire to enter into a Supplement (as defined in the Original Master Indenture) to amend and restate the Original Master Indenture in its entirety, which Supplement consists of this Master Indenture; and

WHEREAS, there has been provided to the Master Trustee evidence of the consent of the Holders of not less than a majority in Aggregate Principal Amount of Obligations then Outstanding (as such terms are defined in the Original Master Indenture) to this Master Indenture; and

WHEREAS, all acts and things necessary to constitute this Master Indenture a valid indenture and agreement according to its terms have been done and performed, the Corporation

has duly authorized the execution and delivery of this Master Indenture, and the Corporation, in the exercise of the legal right and power invested in it, executes this Master Indenture; and

WHEREAS, the Master Trustee agrees to accept and administer the trusts created or confirmed hereby.

GRANTING CLAUSES

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH, in consideration of the premises, of the acceptance by the Master Trustee of the trusts hereby created, and of the giving of consideration for and acceptance of Obligations issued hereunder by the Holders thereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which Obligations are to be issued, authenticated, delivered and accepted by all persons who shall from time to time be or become Holders thereof, the Corporation and all other Members of the Obligated Group covenant and agree with the Master Trustee, in order to secure the payment of the Outstanding Obligations issued hereunder and for the equal and proportionate benefit of the respective Holders from time to time of Outstanding Obligations issued hereunder, except as otherwise specifically provided, and to secure the performance and observance of all covenants and conditions in the Obligations and herein contained, have executed and delivered this Master Indenture and have granted, bargained, sold, alienated, assigned, mortgaged, pledged, set over and confirmed, and by these presents do hereby grant, bargain, sell, alienate, assign, mortgage, pledge, set over and confirm, unto the Master Trustee, and to its successors and assigns, all and singular the following described property, franchises and income, and have granted and by these presents do grant a security interest therein for the purposes herein expressed, to wit:

GRANTING CLAUSE FIRST

To the extent permitted by law, each Obligated Group Member's respective Pledged Accounts;

GRANTING CLAUSE SECOND

All right, title, and interest of the Obligated Group Members in and to all money and investments deposited or required to be deposited with the Master Trustee hereunder, *but except and excluding* (i) moneys deposited with or paid to the Master Trustee for the redemption of Obligations, notice of the redemption of which has been duly given, and (ii) any funds or accounts established or created hereunder for the exclusive benefit and security of certain Obligations and permitted pursuant to *Clause (36)* of the definition of "*Permitted Liens*" herein; and

GRANTING CLAUSE THIRD

Any and all property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien and security interest of this Master Indenture by any Obligated Group Member or by anyone on its behalf (and the Master Trustee is hereby authorized to receive the same at any time as security hereunder), which subjection to the lien and security interest hereof of any such property as additional security may be made subject to any reservations, limitations, or conditions which shall be set forth in a written instrument executed by such Obligated Group

Member or the person so acting on its behalf or by the Master Trustee respecting the use and disposition of such property or the proceeds thereof;

TO HAVE AND TO HOLD all said property and rights hereby and hereafter (by supplemental indenture or otherwise) granted, bargained, sold, alienated, assigned, mortgaged, pledged, set over or confirmed as aforesaid, or intended, agreed, or covenanted so to be, together with all the appurtenances thereto appertaining (said properties, rights, privileges, and franchises, other than any such property, rights, privileges, and franchises which are specifically stated herein not to be deemed part of the Trust Estate, being herein collectively referred to as the "***Trust Estate***"), unto the Master Trustee and its successors and assigns;

SUBJECT AND SUBORDINATE, HOWEVER, in the case of *Granting Clauses First* and *Third*, to any and all mortgages, liens, charges, encumbrances, pledges, and security interests granted, created, assumed, incurred, or existing in accordance with the provisions of *Section 3.05* of this Master Indenture (*excluding Clauses (18)* and *(19)* of the definition of "*Permitted Liens*" herein) as to the property covered thereby and all rent, insurance adjustments, condemnation awards, and sale and other proceeds derived from such property and all rights to payment of the same;

BUT IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security and protection of all Holders of the Outstanding Obligations issued under and secured by this Master Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Obligations over any other of the Obligations except as otherwise specifically provided;

UPON CONDITION that, if the Obligated Group Members, or their respective successors or assigns, shall well and truly pay, or cause to be paid, the Outstanding Obligations according to the true intent and meaning thereof, or there shall be deposited with the Master Trustee such amounts in such form in order that none of the Obligations shall remain Outstanding hereunder, and shall pay or cause to be paid to the Master Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon the full and final payment of all such sums and amounts secured hereby or upon such deposit, this Master Indenture and the rights, titles, liens, security interests, and assignments herein granted shall cease, terminate, and be void and shall be released by the Master Trustee in due form at the expense of the Obligated Group Representative, except only as herein provided; otherwise this Master Indenture to be and remain in full force and effect;

AND IT IS HEREBY COVENANTED AND DECLARED that the Trust Estate is to be held and applied by the Master Trustee, subject to the further covenants, conditions, and trust herein set forth, and the Obligated Group Members do hereby covenant and agree with the Master Trustee, for the equal and proportionate benefit of all Holders of the Obligations, except as otherwise provided herein, as follows:

* * *

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. ***Definitions.***

For all purposes of this Master Indenture, except as otherwise expressly provided or unless the context otherwise requires:

A. The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

B. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles, except as provided in *Section 1.06*.

C. All references herein to "***generally accepted accounting principles***" refer to such principles as they exist on the date of applicability thereof, except as provided in *Section 1.06*.

D. All references in this instrument to designated "***Articles***," "***Sections***," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument as originally executed.

E. The words "***herein***," "***hereof***," and "***hereunder***" and other words of similar import refer to this Master Indenture as a whole and not to any particular Article, Section, or other subdivision.

F. Any reference herein to any officer or member of the Governing Body of a Member of the Credit Group shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

G. Provisions referring to reasonable fees and compensation shall not necessarily mean statutory fees and compensation, but shall mean whatever is reasonable under the given circumstances.

H. A required payment, purchase or redemption of any Indebtedness or Obligation by reason of the acceleration thereof upon the occurrence of an event of default shall not be treated as an option of the payee to require that such Indebtedness or Obligation be paid, purchased or redeemed prior to its Stated Maturity.

"***Act***" when used with respect to any Holder of Obligations has the meaning stated in *Section 1.02*.

"***Affiliate***" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, or any other Person who is a general partner of any partnership of which such other Person or any Affiliate thereof is a general partner. For purposes of this definition, "***control***" when used with

respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities or the power to appoint and remove its directors, by contract, or otherwise; and the terms "***controlling***" and "***controlled***" have meanings correlative to the foregoing.

"***Aggregate Principal Amount***" means (i) the outstanding principal of a security and, in the case of Capital Appreciation Indebtedness, its accreted value calculated in accordance with the documents authorizing such security or if not so defined, generally accepted accounting principles, (ii) in the case of an Obligation relating to a Financial Hedge, an amount equal to zero for purposes of exercising any rights under this Master Indenture, including without limitation, any right to direct or control remedies or vote or grant consents or approvals, (iii) in the case of an Obligation securing a Guaranty that constitutes Indebtedness under *Clause (iii)* of the definition of "*Indebtedness*" in this *Section 1.01*, an amount equal to the principal actually due and owing on such Guaranty at the time of such determination, and (iv) if the principal amount of an Obligation is specified in the Application or Supplement relating to the issuance of such Obligation, the principal amount so specified; *provided* that the unpaid principal sum due and owing pursuant to any Obligation evidencing payment obligations under any facility providing liquidity, including without limitation any standby bond purchase agreement or similar facility or liquidity drawing under a letter of credit, to the extent evidenced or secured by other Obligations or obligations secured thereby, shall be excluded.

"***Application***" means an application for the qualification of a promissory note, draft, bond, guaranty or other obligation (including a Financial Hedge) hereunder as an Obligation signed in the name of the Obligated Group Representative by an Authorized Representative and delivered to the Master Trustee, and no Application shall be deemed complete until there shall have been delivered to the Master Trustee such documents as are required hereunder to have such promissory note, draft, bond, guaranty or other obligation so qualified. The date of an Application shall be deemed to be the date of completion of all such deliveries to the Master Trustee and not the date on any particular document so delivered.

"***Assumed Term***" means a period selected by the Obligated Group Representative of up to 30 years; *provided*, *however*, for any Indebtedness or Obligation that has a Stated Maturity more than 30 years from the date of the relevant calculation, then the Assumed Term for such Indebtedness or Obligation shall be a period selected by the Obligated Group Representative up to the Stated Maturity of such Indebtedness or Obligation.

"***Authenticating Agent***" when used with respect to any particular Obligation means any Person named as Authenticating Agent for said Obligation pursuant to *Section 5.13* until a successor Authenticating Agent therefor becomes such pursuant thereto, and thereafter "***Authenticating Agent***" means such successor.

"***Authorized Representative***" of a Person means the Chair of the Governing Body, the Chief Executive Officer, the President, the Chief Financial Officer, the Chief Legal Officer, the Treasurer, the Controller, or the Secretary of such Person, any Executive Vice President or Senior Vice President authorized to bind such Person, or any other officer of such Person authorized to perform functions similar to those customarily performed by any such officer holding one of the

offices listed above and designated in writing to the Master Trustee, which designation shall remain in effect until the Master Trustee receives notice that it is no longer effective.

"***Bank Direct Purchase***" and "***Bank Direct Purchaser***" have the respective meanings stated in *Subsection 1.15.B.*

"***Business Day***" means any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions located in New York, New York, or the city in which the Corporate Trust Office of the Master Trustee is located are required or authorized to be closed, or (iii) a day on which The New York Stock Exchange is closed.

"***Capital Appreciation Indebtedness***" means any Indebtedness, or portion thereof, which at the time of the original offering or sale thereof, is offered for sale to the public or sold to the initial purchaser or purchasers thereof with a stated interest rate which is less than the original issue yield to maturity thereof or with no stated interest rate, and with respect to which a Compounded Value is required to be determined by the indenture or other agreement pursuant to which such Indebtedness was issued.

"***Capitalization***" means the sum of the aggregate Long-Term Indebtedness of any Person or group of Persons, plus the aggregate unrestricted net assets of any such Person or group of Persons, all as calculated in accordance with generally accepted accounting principles in the United States.

"***Code***" means the Internal Revenue Code of 1986, as amended, and the corresponding provisions, if any, of any successor internal revenue laws of the United States.

"***Commitment Indebtedness***" means Indebtedness to repay or reimburse payments made under a letter of credit, surety bond, bond insurance policy, standby bond purchase agreement, or similar credit or liquidity support obtained to secure payment or purchase of other Indebtedness incurred or guaranteed (or secured by a pledge of Indebtedness incurred or guaranteed) pursuant to this Master Indenture (excluding Non-Recourse Indebtedness) or of the Obligations specifically described in *Section 2.01* (or Indebtedness secured by a pledge of any such Obligations) and to pay interest thereon until paid and fees and expenses in connection therewith.

"***Compounded Value***" means, with respect to any Indebtedness or portion thereof which is Capital Appreciation Indebtedness, the initial price or initial principal amount at which such Capital Appreciation Indebtedness was offered for sale to the public or sold to the initial purchaser or purchasers thereof at the original offering or sale thereof, without reduction to reflect underwriter's discount or placement fees, compounded at the original issue yield to maturity of such Capital Appreciation Indebtedness to the date of determination of compounded value in the manner provided in the indenture or other agreement pursuant to which such Capital Appreciation Indebtedness was issued less, and with respect to any Capital Appreciation Indebtedness with interest payable on a current basis, any interest paid or payable during such period.

"***Consent***," "***Order***," and "***Request***" of any Person mean, respectively, a written consent, order, or request signed in the name of the Person giving such consent or order or making such request by an Authorized Representative of such Person and delivered to the Master Trustee.

"***Consolidated Income Available for Debt Service***" for a group of Persons means the consolidated or combined Income Available for Debt Service as reflected in the Financial Statements of such Persons, adjusted to eliminate intercompany items among any such Persons whose financial information is consolidated or combined in such Financial Statements.

"***Consultant***" means a Person (but not an individual) that is a professional consultant selected by the Obligated Group Representative and having the skill and experience necessary to render the report required by the provision hereof in which such requirement appears, and which (1) is not an Affiliate of the Obligated Group Representative or any Member of the Credit Group, and (2) is not connected with the Obligated Group Representative or any Member of the Credit Group as an officer, employee, promoter, underwriter, trustee, partner, director, member or Person performing similar functions.

"***Corporate Trust Office***" means the principal corporate trust office of the Master Trustee (in any of its capacities) at 1505 Energy Park Drive, St. Paul, Minnesota 55108, Attention: Corporate Trust, or such other office designated by the Master Trustee from time to time by notice to the Corporation and the Obligated Group Representative.

"***Corporation***" means St. Luke's Health System, Ltd., a nonprofit corporation duly incorporated and validly existing under und by virtue of the laws of the State of Idaho, and any successor thereto or assign thereof in accordance with this Master Indenture.

"***Credit Group***" means, collectively, all Obligated Group Members and all Designated Affiliates.

"***Credit Group Financial Statements***" means (i) any special purpose financial statements including only Members of the Credit Group, or (ii) the financial information relating solely to the Credit Group as shown in the consolidating or combining schedules or similar supplemental information contained in any System Financial Statements.

"***Credit Support***" and "***Credit Support Provider***" have the respective meanings stated in *Subsection 1.15.A.*

"***Current Value***" of any Property of any Person means either (i) the appraised value of such Property, established by an Officer's Certificate of such Person, for which an appraisal (dated not more than three years preceding the date that such Officer's Certificate is delivered to the Master Trustee) is attached to such Officer's Certificate, or (ii) the value of such Property set forth in a *bona fide* offer for the purchase of such Property made on an arm's-length basis within one year of the date of determination, established by an Officer's Certificate of such Person.

"***Daily Cash Expenses***" of any Person means the total operating expenses of such Person, *less* all depreciation, amortization, write off of Indebtedness issuance costs, amortization of Indebtedness discount and issuance expenses, and goodwill impairment, *divided by* the number of days in the applicable fiscal period.

"***Days Cash on Hand***" means the amount, expressed in number of days, calculated by dividing (i) Unrestricted Cash and Investments at the end of the applicable fiscal period by (ii) Daily Cash Expenses.

"***Debt Service Coverage Ratio***" for any Fiscal Year means the quotient obtained by dividing, at the option of the Obligated Group Representative and if permitted by *Section 1.06*, (1) the Consolidated Income Available for Debt Service of the System as reflected in the System Financial Statements for such Fiscal Year by the Maximum Debt Service Requirement of the System for such Fiscal Year, or (2) the Consolidated Income Available for Debt Service of the Credit Group as reflected in the Credit Group Financial Statements for such Fiscal Year by the Maximum Debt Service Requirement of the Credit Group for such Fiscal Year, all as established in accordance with and pursuant to *Section 1.06*.

"***Debt Service Requirement***" of any Persons for any specified period means the principal of (and premium, if any) and interest and other debt service charges on all Outstanding Long-Term Indebtedness (without duplication) of such Persons, including current maturities thereof, coming due at the Stated Maturity of such Long-Term Indebtedness or at any Stated Maturity of the interest thereon in such period, and, for such purposes, any one or more of the following rules shall apply at the election of the Obligated Group Representative, unless otherwise set forth below:

(A) ***Committed Take-Out***: If any such Person has received a line of credit or loan or other commitment, binding to the degree which is customary in normal commercial practice, from any bank, savings and loan association, insurance company, or similar institution to refund, purchase, or otherwise directly or indirectly refinance any of its Long-Term Indebtedness at the Stated Maturity or Maturity thereof (or, if due, or payable in respect of any required purchase of such Long-Term Indebtedness, on demand, at any date on which demand may be made), then the portion of the principal of (and premium, if any) and interest and similar charges committed to be refunded, purchased or refinanced shall be excluded from such calculation and the principal of (and premium, if any) and interest (at the fixed rate, if any, stated in such commitment or, if the rate stated therein is variable, at the lesser of the rate established pursuant to *Clause (C)* of this definition or the maximum rate, if any, stated in such commitment) on the refunding Indebtedness which would be due in the period for which the calculation is being made, if incurred at the Stated Maturity or Maturity of the Long-Term Indebtedness to be refunded, purchased or refinanced, shall be added.

(B) ***Balloon and Demand Debt***: If the principal amount of any Long-Term Indebtedness which is due, or at the option of the payee could become due or payable in respect of any required purchase of such Long-Term Indebtedness, in such specified period (after taking into account the amortization thereof pursuant to any required sinking fund) exceeds 20% of the original principal amount of such Long-Term Indebtedness then:

(1) the principal of such Long-Term Indebtedness paid in such period shall be excluded from the calculation of Debt Service Requirement to the extent (i) such principal payments were funded with the proceeds of Indebtedness, (ii) such principal payments were made with moneys not constituting Income Available for Debt Service for such specified period, or (iii) such principal payments were funded with moneys or investments on any date prior to the Stated Maturity thereof by (a) a deposit in trust, (b) a deposit to a fund or account designated by the Obligated Group Representative, or (c) the restriction,

designation or earmarking by the Obligated Group Representative of such moneys or investments for the purpose of making such payment; or

(2) if the Obligated Group Representative shall demonstrate in an Officer's Certificate, dated within 90 days of the date of calculation of such Debt Service Requirement, stating that financing of a stated term (which shall not extend beyond the Assumed Term from such date of calculation), amortization, and interest rate is reasonably attainable to refund or otherwise directly or indirectly to refinance any amount of such Long-Term Indebtedness and assuming such refinancing debt is issued on the date of calculation of such Debt Service Requirement, then the principal of (and premium, if any) and interest and other debt service charges on the amount of such Long-Term Indebtedness so certified to be refundable or refinanceable shall be excluded from such calculation and the principal of (and premium, if any) and interest and other debt service charges on the refunding Indebtedness as so certified which would result from such refunding or refinancing in such specified period, if incurred on the first day of the specified period for which Debt Service Requirement are being calculated, shall be added; or

(3) if the Obligated Group Representative shall provide a Consent of the obligor on such Long-Term Indebtedness agreeing to retire (and such Long-Term Indebtedness shall permit the retirement of), or to fund a sinking fund for, the principal of such Long-Term Indebtedness according to a fixed schedule stated in such Consent ending on or before the period in which such amount is due or could become due or payable in respect of any required payment or purchase of such Long-Term Indebtedness, then the principal of (and, in the case of retirement, the premium, if any, and interest and other debt service charges on) such Long-Term Indebtedness shall be computed as if the same were due in accordance with such schedule; *provided* that this *Clause (3)* shall apply only to Long-Term Indebtedness for which the installments of principal previously scheduled have been paid or funded on or before the times required by such schedule; or

(4) if the Obligated Group Representative shall provide an Officer's Certificate, dated within 90 days of the date of calculation of such Debt Service Requirement, projecting the amount of principal and interest and other debt service charges payable on such Long-Term Indebtedness during such specified period assuming that (a) the principal balance of such Long-Term Indebtedness will be refinanced on the date of such calculation, (b) such principal balance will be payable over the Assumed Term from the date of such calculation, (c) such principal balance will bear interest at the Index Rate from the date of such calculation, and (d) the principal of and interest and other debt service charges on such Long-Term Indebtedness will be payable in equal annual installments or other specified amortization sufficient to pay the principal of and interest and other debt service charges over the Assumed Term.

With respect to demand Long-Term Indebtedness, if the option of the payee to require that such Long-Term Indebtedness be paid, purchased or redeemed prior to its

Stated Maturity has expired or lapsed, such Long-Term Indebtedness shall be deemed payable in accordance with its terms.

(C) ***Variable Rate Debt***: As to any Long-Term Indebtedness that bears interest at a variable rate which cannot be ascertained at the time of calculation, for any balance of such Long-Term Indebtedness to which *Clause (D)* does not apply, one of the following shall be presumed to apply for all future dates for purposes of such calculation at the election of the Obligated Group Representative: (1) the average rate thereon during any 12-month period ending within 90 days prior to the date of calculation (or such lesser time as such Long-Term Indebtedness has been Outstanding), (2) the average rate of a comparable variable rate interest index during any 12-month period ending within 90 days prior to the date of calculation (or such lesser time as such index has been determined), or (3) the Index Rate; each as selected by the Obligated Group Representative and as set forth in an Officer's Certificate of the Obligated Group Representative.

(D) ***Hedged Debt***: if any Person is a party to a Financial Hedge relating to any Long-Term Indebtedness:

(1) *Swapped Rate*: under which it is obligated to pay an amount calculated at a fixed rate or a floating rate in such period, and has the right to receive in such period an amount calculated at a floating rate or a fixed rate that bears, in the judgment of the Obligated Group Representative, a close correlation to the interest rate on such Long-Term Indebtedness, in each case computed with respect to a notional amount that does not exceed the principal amount of such Long-Term Indebtedness, then an amount of such Long-Term Indebtedness equal to such notional amount will be deemed to bear interest at the fixed rate or floating rate paid by such Person for such period; *provided* that for purposes of computing a floating rate under this *Clause (D)(1)* for any future period which cannot be ascertained at the time of calculation, such floating rate shall be computed in accordance with the immediately preceding *Clause (C)*; or

(2) *Cap/Floor Rate*: under which it has the right to receive in such period an amount calculated at any excess of the interest rate on such Long-Term Indebtedness (or any closely correlated interest rate index) over a specified rate (herein referred to as the "***cap rate***"), or is obligated to pay in such period an amount calculated at any excess of a specified rate (herein referred to as the "***floor rate***") over the interest rate on such Long-Term Indebtedness (or any closely correlated interest rate index), in each case computed with respect to a notional amount that does not exceed the principal amount of such Long-Term Indebtedness, then an amount of such Indebtedness equal to such notional amount will be deemed to bear interest at (i) the cap rate in such period whenever the rate of such Long-Term Indebtedness, computed in accordance with the immediately preceding *Clause (C)*, exceeds the cap rate, and (ii) the floor rate in such period whenever the rate of such Long-Term Indebtedness, computed in accordance with the immediately preceding *Clause (C)*, is less than the floor rate.

(E) ***Guarantees***: So long as a Person (the "***Guarantor***") has not made within the two most recent Fiscal Years a payment required by and pursuant to any guaranty or similar obligation made by the Guarantor for the payment or purchase of Long-Term Indebtedness of another Person (the "***Guaranteed Person***"), there shall be excluded from the Long-Term Indebtedness of the Guarantor the Long-Term Indebtedness of the Guaranteed Person that is guaranteed by the Guarantor (or as to which the Guarantor is otherwise obligated to make payments or purchase). In addition, and regardless of whether or not a Guarantor has made a payment under a guaranty within the two most recent Fiscal Years, there shall be excluded from the Long-Term Indebtedness of any Guarantor (i) any Long-Term Indebtedness guaranteed if the Guarantor's and the Guaranteed Person's financial information is reflected in the same Financial Statements, and the Guaranteed Person's Long-Term Indebtedness so guaranteed is included in the calculation of Debt Service Requirement, and (ii) any Long-Term Indebtedness guaranteed if the payment of such Long-Term Indebtedness has also been guaranteed or otherwise assured by a letter of credit, insurance policy or guaranty from an institution the long-term debt of which has a rating assigned to it by a Rating Agency at least as high as the rating on the long-term debt of the Guarantor (or, if the Guarantor is a Member of the Credit Group, the long-term debt rating assigned by a Rating Agency to the Obligations or to any Indebtedness secured by Obligations) immediately prior to the delivery by such institution of its letter of credit, insurance policy or guaranty.

(F) ***Economically Defeased Debt and Trustee Held Funds***: The principal of (and premium, if any) and interest and other debt service charges on any Long-Term Indebtedness that are or could become due or payable in respect of any required payment or purchase of such Long-Term Indebtedness shall be excluded from the calculation of Debt Service Requirement to the extent such amounts are payable from funds or securities irrevocably deposited or set aside in trust or escrowed for such purpose (including to pay accrued interest or funded interest).

(G) ***Redeemed or Refunded Debt***: If arrangements have been made for the redemption or payment of any amount of principal of (and premium, if any) and interest and other debt service charges on any Long-Term Indebtedness which is then Outstanding or treated as Outstanding under this definition with proceeds of other firmly committed Indebtedness or other committed sources of money (including any commitment by any Person to make payments under a Financial Hedge), then the principal of (and premium, if any) and interest and other debt service charges to be refinanced or paid by such firmly committed Indebtedness or by such other committed money shall be ignored for purposes of such calculation, and any such firmly committed Indebtedness shall be treated as Outstanding Long-Term Indebtedness with terms as set forth in the related loan commitment.

(H) ***Capital Appreciation Debt***: The Compounded Value of any Capital Appreciation Indebtedness may be excluded from the determination of Debt Service Requirement for any period unless such Compounded Value was or is actually due and payable during such period.

(I) ***Assumed Level Debt Service***: If applied to all of the Outstanding Long-Term Indebtedness of any Person or Persons, it may be assumed that (i) the principal balance of such Long-Term Indebtedness (after adjustment as provided in *Clause (E)* of this definition) will be refinanced on the date of such calculation, (ii) such principal balance will be payable over the Assumed Term from the date of such calculation, (iii) such principal balance will bear interest at the Index Rate from the date of such calculation, and (iv) principal of and interest and other debt service charges on such Long-Term Indebtedness will be payable in equal annual installments or an alternate schedule of amortization sufficient to pay the principal of and interest and other debt service charges over the Assumed Term.

(J) ***Debt Service Subsidy***: The principal of (and premium, if any) and interest and other debt service charges on any Long-Term Indebtedness that are paid or payable from a Debt Service Subsidy shall be excluded from the calculation of Debt Service Requirement.

(K) ***Maturing Indebtedness***: If any Long-Term Indebtedness has a Stated Maturity or Maturity within four years of the date of calculation of Debt Service Requirement and the Obligated Group Representative demonstrates in an Officer's Certificate, dated within 90 days of the date of such calculation, stating that the obligor on such Long-Term Indebtedness anticipates (i) redeeming or refunding any amount of principal of (and premium, if any) and interest and other debt service charges on such Long-Term Indebtedness with proceeds of other Long-Term Indebtedness, and (ii) the issuance on or before such Stated Maturity or Maturity of Long-Term Indebtedness for such purpose with a term (which shall not extend beyond 30 years after such date of calculation), amortization, and interest rate, as stated in such Officer's Certificate is reasonably attainable, then for purposes of such calculation, the amount of principal of (and premium, if any) and interest and other debt service charges maturing shall be ignored and the principal of (and premium, if any) and interest and other debt service charges on the Long-Term Indebtedness described in *Clause (ii)* of this *Clause (K)*, as if issued at the Stated Maturity or Maturity of the principal so ignored, shall be added.

For purposes of calculating the "*Debt Service Requirement*" for any Long-Term Indebtedness where the payment of such Long-Term Indebtedness is contingent or conditional, whether or not a payment date is specified in such Long-Term Indebtedness, the Stated Maturity of such Long-Term Indebtedness shall be the date certain on which such Long-Term Indebtedness is payable and such payments are not contingent or conditional.

If portions of a series of Long-Term Indebtedness (or of a series of Related Bonds to which such Long-Term Indebtedness relates) bear interest at types of rates and for periods of time different than those for other portions of such series of Long-Term Indebtedness (or such Related Bonds of the same series) ("***Modes***"), each portion of such Indebtedness corresponding to a Mode then applicable to such Indebtedness (or such series of Related Bonds) shall be deemed separate Indebtedness for purposes of this definition.

"***Debt Service Subsidy***" means payments made to or for the benefit of a Person pursuant to (a) Section 54AA of the Code, Section 6431 of the Code or Section 1400U-2 of the Code or any

successor to or extension or replacement of any of such provisions of the Code, or any provisions of the Code that create substantially similar direct-pay subsidy programs to such programs, or (b) any other statutory framework or program providing for a subsidy, reimbursement, grant or other payment to or on behalf of a Person designed or permitted to be used to, or not inconsistent with its use to, offset payments with respect to Indebtedness of such Person.

"***Default***" means the occurrence and continuance of an event that, after notice or lapse of time or both, would become an Event of Default.

"***Designated Affiliate***" means, at any date, any Person which meets the following requirements:

(1) ***Power to Control***: the Obligated Group Representative or an Obligated Group Member shall, to the extent permitted by law, either (i) maintain, directly or indirectly, control of the Designated Affiliate, including the power to direct the management, policies, disposition of assets and actions of the Designated Affiliate to the extent required to cause the Designated Affiliate to comply with the terms and conditions of this Master Indenture applicable to it, whether through the ownership of voting securities, by contract, partnership interests, membership, reserved powers, or the power to appoint members, trustees or directors or otherwise, or (ii) execute and maintain in effect such agreements as the Obligated Group Representative, in its sole judgment, deems sufficient for it or an Obligated Group Member to be able to cause the Designated Affiliate to comply with the terms and conditions of this Master Indenture applicable to it; and

(2) ***Current Qualification***: such Person is not an Obligated Group Member, and has either become a Designated Affiliate pursuant to *Section 9.03* or was listed on the Effective Date as a Designated Affiliate on *Exhibit B* hereto, and has not thereafter been released from its status as a Designated Affiliate pursuant to *Section 9.04*.

"***Distribution***" means, with respect to any Person, a dividend or distribution of cash to the holders of the equity or membership interests in such Person.

"***Effective Date***" means February __, 2025.

"***Electronic Communications***" means the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Master Trustee as available for use in connection with its services hereunder.

"***Eligible Investments***" means (i) with respect to any fund established by a Supplement, for which such Supplement specifies certain eligible investments, the investments so specified, (ii) with respect to any Obligation for which an Application or a Supplement specifies certain eligible investments, the investments so specified, and (iii) in all other cases such legal investments as are designated in writing to the Master Trustee by the Obligated Group Representative.

"***Estimated Consolidated Income Available for Debt Service***" for a group of Persons for any future Fiscal Year means the consolidated or combined Income Available for Debt Service of such Persons as set forth in and established by:

(1) ***Consultant Report***: a certificate or report of a Consultant stating the amount of such Estimated Consolidated Income Available for Debt Service based upon assumptions provided by the Obligated Group Representative and stating that such assumptions are, in the opinion of the Consultant, reasonable; or

(2) ***Reviewed Obligated Group Representative Report***: both (i) a report of the Obligated Group Representative stating the amount of such Estimated Consolidated Income Available for Debt Service, and (ii) a certificate or report of a Consultant stating that it has reviewed the assumptions and methodologies upon which such report of the Obligated Group Representative is based and that, in the opinion of the Consultant, such assumptions and methodologies are reasonable and provide a reasonable basis for the conclusions of such report; or

(3) ***Officer's Certificate***: an Officer's Certificate of the Obligated Group Representative, if the Estimated Consolidated Income Available for Debt Service stated therein results in a Projected Debt Service Coverage Ratio of at least 1.25 for each Fiscal Year for which such Estimated Consolidated Income Available for Debt Service are to be established.

"***Event of Default***" has the meaning stated in *Article IV*. An Event of Default shall "***exist***" if an Event of Default shall have occurred and be continuing.

"***Existing Obligations***" means all of the Obligations issued under (and as defined in) the Original Master Indenture which are outstanding on the Effective Date and which shall remain outstanding as Obligations under this Master Indenture. The Existing Obligations are listed on *Exhibit A* hereto.

"***Extraordinary Items***" means the after-tax financial impact of significant events, transactions or activities that are both unusual in nature and infrequent in occurrence. Such extraordinary events, transactions or activities include, but are not limited to, the following: (a) Force Majeure Events, (b) affiliation or asset acquisitions activities, including direct expenses incurred related to pre-affiliation, affiliation, acquisition or integration activities, such as, without limitation, legal fees, consultant fees and due diligence costs, as well as post-affiliation or acquisition adjustments, (c) payor bankruptcies or write downs on reorganization or settlements related thereto, and (d) insurance settlements or other legal or buy out settlements that are not in the ordinary course.

"***Financial Hedge***" means an agreement, contract, transaction or other obligation entered into by a Person, that may include, without limitation, a rate swap transaction, rate option, forward rate transaction, basis swap transaction, credit derivative transaction, commodity swap transaction, commodity option, forward commodity transaction, equity or equity index swap or option, bond or bond price or bond index swap or option, forward bond or forward bond price or forward bond index transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, currency option, cross-currency rate swap transaction, forward foreign exchange transaction, or spot contract, and which agreement, contract, transaction or other obligation does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof.

"***Financial Statements***" means, as applicable, the Credit Group Financial Statements or the System Financial Statements, and with respect to any other Person, for any period, the financial statements of such Person meeting the requirements described in *Section 3.09.B(ii)* and *(iii)*.

"***Fiscal Year***" means the fiscal year of each Member of the Credit Group or of the System, as applicable, ending on September 30 of each calendar year, or such other consecutive 12-month period selected by the Obligated Group Representative as the fiscal year for each Member of the Credit Group or for the System and designated from time to time in writing by the Obligated Group Representative to the Master Trustee, and subject to the designation of an Interim Period pursuant to *Subsection 3.09.E*; *provided* that for purposes of making calculations or determinations set forth in this Master Indenture on a Fiscal Year basis, or for purposes of combinations or consolidations of accounting information, with respect to those Persons whose actual fiscal year is different from that designated above, at the election of the Obligated Group Representative, (i) the actual fiscal year of such Persons which ended within the Fiscal Year of the Members of the Credit Group or of the System, as applicable, or (ii) a prorated or annualized fiscal year of such Persons as if such fiscal year ended on the last day of the Fiscal Year of the Members of the Credit Group or of the System, as applicable, shall be used.

"***Fitch***" means Fitch Ratings, Inc. or any successor to its credit rating business.

"***Force Majeure Event***" means any of the following: acts of God; acts or orders of any kind of the government of the United States of America, the state or states or locality or localities in which a Member of the Credit Group is doing business, or any of their departments, agencies, political subdivisions or officials, or any civil or military authority, imposed due to factors not within the control of a Credit Group Member and having a material effect on its ability to carry out its agreements hereunder; acts of public enemies; terrorist acts; insurrections; riots; epidemics; pandemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; other natural disasters; restraining of government and people; civil disturbances; explosions; nuclear accidents; wars; industrial disturbances; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or similar significant acts or events that are both unusual in nature and infrequent in occurrence, other than financial inability, and not reasonably within the control of a Member of the Credit Group.

"***Governing Body***" of any Person means such Person's board of directors, board of trustees, board of managers, managing members, managing partners, general partners, or similar group or entity in which the right to exercise the powers of corporate directors or trustees or of managers or partners is vested, or any duly authorized committee of said board, group or entity with the power to act for or bind such board, group or entity.

"***Governing Body Resolution***" of any Person means a copy of a resolution, certified by an Authorized Representative, the Secretary, an Assistant Secretary, or any other officer or official responsible for maintaining the records of the Governing Body of such Person, to have been duly adopted by the Governing Body thereof and to be in full force and effect on the date of such certification, delivered to the Master Trustee.

"***Governmental Restrictions***" means any federal, state or other applicable governmental law or regulations (including tax or charitable limitations which must be respected to preserve the

exempt status of the applicable Person or its Property, eligibility of a Person for benefits under any state, local or federal payment, grant, loan, subsidy or exemption program, or conditions imposed specifically on the Credit Group Members or the Credit Group Members' facilities or Property) that place restrictions or limitations on (a) the rates, fees, charges, reimbursements or research funding to be fixed, charged or collected by any Credit Group Member, or (b) the amount, timing, receipt, retention, expenditure or assignability of such rates, fees, charges, reimbursements or research funding.

"***Guaranty***" means any obligation of a Person guaranteeing in any manner, directly or indirectly, any obligation of any other Person which obligation of such other Person would, if such obligation were the obligation of the guaranteeing Person, constitute Indebtedness hereunder.

"***Guaranteed Person***" has the meaning stated in *Clause (E)* of the definition of "*Debt Service Requirement*" in this *Section 1.01*.

"***Holder***" when used with respect to Obligations means the Person in whose name such Obligation is registered in the Obligation Register, *subject* to *Section 1.15*.

"***Income Available for Debt Service***" of any Person for any period means the amount of excess (deficit) of revenue over expense, or net income, of such Person for such period, *plus*, if not otherwise included in such revenue or income, the realized income, if any, of such Person for such period from the investment of any funds (*but only* to the extent that such income may be applied to one or more items included in the Debt Service Requirement of such Person for such period, assuming any necessary action by such Person), as determined in accordance with and pursuant to *Section 1.06*, *plus* amounts deducted for such period for or to make provision for:

(1) interest and other debt service charges (excluding payment of principal) on Indebtedness, or the deemed interest or other debt service charges (excluding payment of principal) on such Indebtedness if adjusted in accordance with *Clause (D)* of the definition of "*Debt Service Requirement*" in this *Section 1.01*;

(2) amortization, write off of Indebtedness issuance costs, and amortization of Indebtedness discount and issuance expenses; and

(3) property retirement, depreciation (as the same may be adjusted as provided in *Subsection 3.09.A*), depletion, obsolescence, and impairment (including goodwill impairment);

all determined after eliminating intercompany items in accordance with generally accepted accounting principles, *but* for all purposes of this definition of "*Income Available for Debt Service*" without taking into account:

(a) unrealized gains and losses, changes in fair value, and mark-to-market adjustments on investments and Financial Hedges, or unrealized gains and losses on alternative investments accounted for under the equity method of accounting,

(b) any gain or loss resulting from either the extinguishment or refinancing of Indebtedness or Financial Hedges or the sale, exchange, or other disposition of capital

assets not made in the ordinary course of business, or the reappraisal, reevaluation or write-up (write-down) of assets; *provided*, *however*, that, at the Obligated Group Representative's election, gain from a sale-leaseback under generally accepted accounting principles may be included,

(c) net proceeds of insurance (other than business interruption insurance and, in the case of a Person that provides health insurance or underwrites health benefits, reinsurance) and condemnation awards,

(d) any gains or losses that are Extraordinary Items, any expenses that are Extraordinary Items, other nonrecurring items that do involve the receipt, expenditure or transfer of assets, and any other non-cash expenses (including non-cash losses attributable to any discontinuance of operations and expenses resulting from a forgiveness of or the establishment of reserves against debt of an Affiliate that does not constitute an extraordinary expense),

(e) any "other-than-temporary" impairment loss,

(f) any amounts received or paid as net scheduled payments pursuant to a Financial Hedge, *provided* that the hedge rate thereunder is used in calculating Debt Service Requirement,

(g) any amounts received or paid as termination payments pursuant to a Financial Hedge,

(h) gifts, grants, bequests, donations, or contributions, to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of principal of (and premium, if any) and interest and other debt service charges on Indebtedness or of operating expenses,

(i) income from funds or securities irrevocably deposited or set aside in trust or escrowed for the payment of principal of (and premium, if any) or interest or other debt service charges on Indebtedness of such Person, *if* such debt service charges are excluded from the Debt Service Requirement to which such Income Available for Debt Service is to be compared pursuant to *Clause (F)* or *(G)* of the definition of "*Debt Service Requirement*" or pursuant to *Clause (3)* of the definition of "*Outstanding*" in this *Section 1.01*,

(j) any items in a Person's Financial Statements for a particular Fiscal Year that are the result of or required by any correction, adjustment or restatement of, or the retrospective application of accounting standards to, such Person's Financial Statements for any other Fiscal Year,

(k) gains and losses of joint ventures classified as non-operating accounted for under the equity method of accounting,

(l) any gains or losses, revenues or expenses, or changes in assets or liabilities, that represent the cumulative effect of accounting changes attributable primarily either to changes in generally accepted accounting principles or the System's or the Credit Group's

adoption of different accounting methods permitted under generally accepted accounting principles, or

(m) any gains or losses or revenues or expenses, or changes in assets or liabilities, that result from any pension plan curtailment, adjustment, termination or restructuring,

provided that, for such purposes, (i) in determining gain or loss from the sale or other disposition of any asset for which an "other-than-temporary" impairment loss has theretofore been recognized in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 320, *Investments – Debt and Equity Securities*, any such gain shall be reduced (and any such loss shall be increased) by the amount of such loss previously recognized; (ii) if any percentage of debt service on Indebtedness of any Guaranteed Person is included in the Debt Service Requirement of a Person for such period or any future fiscal year pursuant to *Clause (E)* of the definition of "*Debt Service Requirement*" in this *Section 1.01*, then the Income Available for Debt Service of such Guaranteed Person for such period shall be included in the Income Available for Debt Service of such guarantor Person for such period up to the amount of debt service of such Guaranteed Person so included in such period or future fiscal year; (iii) at the option of the Obligated Group Representative, net realized gains and losses from the sale of investments may be included in the computation of Income Available for Debt Service on the basis of the average annual amount of those gains and losses for the three Fiscal Years preceding the computation date, rather than including the actual amount of net realized gains and losses from the sale of investments for the period for which a computation is being made; and (iv) in calculating the Income Available for Debt Service of a Credit Group Member, the Obligated Group Representative may, at its option, include in such Income Available for Debt Service any Distributions actually received by such Credit Group Member from a Person that is part of the System but not a Credit Group Member.

"***Indebtedness***" of a Person means (i) all indebtedness of such Person for borrowed money, (ii) all installment sales, conditional sales and finance lease obligations of such Person shown on the liabilities side of its balance sheet, and (iii) all Guarantees (other than any Guaranty by any Member of the Obligated Group of Indebtedness of any Member of the Credit Group), whether constituting Long-Term Indebtedness or Short-Term Indebtedness; *provided*, *however*, that Indebtedness shall not include (A) obligations of any Member of the Obligated Group to any Member of the Credit Group, (B) any obligation incurred in the ordinary course of business (including, but not limited to, accounts payable, programs to facilitate collection of payables, or accruals and obligations for salaries or other benefits), (C) accrued liabilities for taxes, assessments, and governmental charges or levies and claims for labor, materials, and supplies, (D) reserves for estimated obligations (including, but not limited to, reserves for deferred taxes or litigation), (E) indebtedness represented by dividends or distribution of earnings declared but not paid, (F) shares, membership interests, or any other evidences of ownership in a Person that constitute a noncontrolling interest in such Person and are classified as indebtedness or a liability due to the redemption, call, or put features of such shares, membership interests, or other evidences of ownership, (G) any obligation to contribute to self-insurance, legal or compliance reserves or settlements, pensions, or other risk management programs, (H) liabilities or obligations related to (i) repayment of moneys deposited by patients or others as security for or as prepayment of the cost of patient care, (ii) any rights of residents of life care, elderly housing or similar facilities to endowment or similar funds deposited by or on behalf of such residents, (iii) purchase cards and

purchase card programs, (iv) physician or other provider income guarantees, or (v) repayment of Medicare, Medicaid or other insurance provider advance payments pursuant to provider relief programs, (I) indemnification obligations incurred in connection with Indebtedness or Related Bonds, (J) any fees or expenses payable in connection with the incurrence of Indebtedness, (K) indebtedness of a Person that is based upon the guaranty or assumption by such Person, directly or indirectly, of indebtedness of another Person, both of whose financial information is combined or consolidated in the same Financial Statements, (L) any operating lease obligations of any Person shown on the liabilities side of its balance sheet, or (M) Financial Hedges. To the extent that a Person has obtained credit or liquidity enhancement or support for Indebtedness or Related Bonds, whether by means of a letter of credit, revolving credit agreement, surety bond, bond insurance policy, standby bond purchase agreement, or otherwise, and the terms and conditions under which such credit or liquidity enhancement or support was obtained require such Person to reimburse the provider of such enhancement or support, such obligation of such Person to reimburse such provider for such amounts shall constitute Indebtedness only when and to the extent such advances are actually made and such obligation to reimburse actually arises.

"***Index Rate***" means, at the option of the Obligated Group Representative, as to any Indebtedness: (a) the "25-Bond Revenue" index rate for 30-year tax-exempt revenue bonds, as published by *The Bond Buyer* on any date selected by the Obligated Group Representative that is within 90 days prior to the date of any calculation made with respect to the Index Rate, or an index reasonably comparable to the "25-Bond Revenue" index rate for 30-year tax-exempt revenue bonds, such alternative index to be selected by the Obligated Group Representative, (b) the weighted average coupon or, if applicable, arbitrage yield calculated for federal tax purposes of such Indebtedness, as selected by the Obligated Group Representative and as certified by the Obligated Group Representative in such certificate, (c) the SIFMA Index issued or published on any date selected by the Obligated Group Representative that is within 90 days prior to the date of any calculation made with respect to the Index Rate, or (d) such other interest rate or interest index as may be certified in writing by an Authorized Representative of the Obligated Group Representative to the Master Trustee as appropriate to the situation.

"***Interim Period***" has the meaning stated in *Subsection 3.09.E*.

"***Long-Term Indebtedness***" means Indebtedness having a maturity longer than one year, including: (i) money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, longer than one year, (ii) finance leases determined in accordance with generally accepted accounting principles and having an original term, or renewable at the option of the lessee for a period from the date originally incurred, longer than one year, (iii) installment sale or conditional sale contracts having an original term in excess of one year, and (iv) the current portion of Long-Term Indebtedness; *provided* that Long-Term Indebtedness shall not include (a) any operating leases determined in accordance with generally accepted accounting principles, (b) Commitment Indebtedness that finances the retirement or repayment of Short-Term Indebtedness where such Commitment Indebtedness provides for the repayment of principal on terms which would, if such commitment were implemented, constitute Long-Term Indebtedness, or (c) for purposes of clarification, Indebtedness issued in the form of commercial paper.

"***Master Indenture***" means this instrument as originally executed or as it may from time to time be supplemented, modified, amended or restated by one or more instruments entered into pursuant to the applicable provisions hereof.

"***Master Trustee***" means the Person named as the "*Master Trustee*" in the first paragraph of this instrument, which shall include such Person's successors and assigns, until a successor Master Trustee shall have become such pursuant to the applicable provisions of this Master Indenture, and, thereafter, "***Master Trustee***" means such successor Master Trustee.

"***Maturity***" when used with respect to any Indebtedness means the date on which the principal of such Indebtedness or any installment thereof becomes due and payable, and when used in connection with an Obligation that is not Indebtedness means the date for payment of the same, in either case as therein provided and whether at the Stated Maturity or by declaration of acceleration, demand, call for redemption, or otherwise.

"***Maximum Debt Service Requirement***" means the largest total Debt Service Requirement for the current Fiscal Year, the Fiscal Year of the applicable calculation (if not the same Fiscal Year as the current Fiscal Year), or any succeeding Fiscal Year.

"***Medicaid***" means the government-sponsored entitlement program, which provides federal grants to states for medical assistance based on specific eligibility criteria, as established pursuant to the Social Security Act (42 U.S.C. Section 1396 *et seq*. and related statutes) and any successor, replacement, or related program.

"***Medicare***" means the government-sponsored insurance program, which provides for a health insurance system for eligible elderly and disabled individuals, as established pursuant to the Social Security Act (42 U.S.C. Section 1395 *et seq*. and related statutes) and any successor, replacement, or related program.

"***Member***" means, when used with respect to the Credit Group, an Obligated Group Member or a Designated Affiliate, and when used with respect to the Obligated Group, an Obligated Group Member.

"***Moody's***" means Moody's Investors Service, Inc. or any successor to its credit rating business.

"***New Group***" means any Persons who agree (i) to unconditionally guaranty payment or become jointly and severally obligated under the Replacement Master Indenture for any obligations thereunder, and (ii) to otherwise comply with the provisions of the Replacement Master Indenture.

"***Non-Recourse Indebtedness***" means any Indebtedness incurred to finance the acquisition of Property that is secured by a lien or mortgage on or security interest in, or the liability for which is effectively limited to, such Property, replacements of such Property, and rents, profits, and proceeds thereof or of insurance therefor, with no other recourse (except for fraud, misappropriation of funds, intentional damage, and similar exceptions), directly or indirectly, to or against any other Property of the Obligated Group.

"***Obligated Group***" means, collectively, all Obligated Group Members.

"***Obligated Group Member***" means, on the Effective Date, any Person that is listed as such on *Exhibit B* hereto, and thereafter, any Person that has become an Obligated Group Member by execution of this instrument or pursuant to *Section 9.01* and has not been released from its status as an Obligated Group Member pursuant to *Section 9.02*.

"***Obligated Group Representative***" means the Obligated Group Member so designated in accordance with *Section 1.14*, and any successor thereto.

"***Obligation Register***" and "***Obligation Registrar***" have the respective meanings stated in *Section 2.04*.

"***Obligations***" means, as of the Effective Date, the Existing Obligations, and thereafter the promissory notes, drafts, bonds, guarantees, and other obligations (including Financial Hedges) from time to time issued, incurred, created, assumed, or guaranteed by any Obligated Group Member and qualified as such hereunder pursuant to the terms of *Article II*, whether or not the same is or evidences Indebtedness.

"***Officer's Certificate***" of any Person means a certificate signed by an Authorized Representative of such Person.

"***Opinion of Counsel***" means a written opinion of counsel who may (except as otherwise expressly provided in this Master Indenture) be counsel for the Obligated Group Representative, an Obligated Group Member, a Designated Affiliate, or any Affiliate of any such Person and, when given with respect to the status of interest on any Indebtedness under federal income tax law, means counsel of nationally recognized standing in the field of municipal bond law.

"***Outstanding***" when used with respect to Obligations or Indebtedness means, as of the date of determination, all Obligations or Indebtedness theretofore issued or incurred except such Obligations or Indebtedness or any part thereof:

(1) ***Retired Debt***: which have been paid or otherwise retired; or

(2) ***Gross Cash Defeasance***: for the payment or redemption of which sufficient money has been irrevocably deposited with the payee thereof or a third party for the payment of the principal of (and premium, if any) and interest and other debt service charges thereon (*provided* that, if such Obligations or Indebtedness are to be redeemed, notice thereof shall have been duly given, irrevocably provided for to the satisfaction of the Master Trustee, or waived); or

(3) ***Net Cash Defeasance***: for which either (a) due to the irrevocable deposit of money, securities, or other thing of value with a trustee, paying agent, or escrow agent with respect thereto, none of the Obligated Group Representative, any Obligated Group Member, or any Designated Affiliate is then obligated with respect thereto except from and to the extent of the money, securities, or other things so deposited and proceeds thereof, or (b) there shall have been irrevocably deposited with a trustee, paying agent, or escrow agent the necessary funds (or evidences of such Obligations, Indebtedness or securities that

will provide sufficient funds, if permitted by the instrument creating such Indebtedness) for the payment, redemption, or satisfaction thereof; or

(4) ***Release***: when used with respect to Obligations, Obligations which are no longer entitled to the benefits of this Master Indenture pursuant to *Section 7.02*; or

(5) ***Cancelled Obligations***: when used with respect to Obligations, Obligations theretofore cancelled by the Master Trustee or delivered to the Master Trustee for cancellation, including Obligations which are exchanged for or replaced with a note or obligation issued under and entitled to the benefits of a Replacement Master Indenture; or

(6) ***Replaced Obligations***: when used with respect to Obligations, Obligations in lieu of which other Obligations have been authenticated and delivered or which have been paid pursuant to the provisions hereof or of a Supplement regarding mutilated, destroyed, lost or stolen Obligations, unless proof satisfactory to the Master Trustee has been received that any such Obligation is held by a *bona fide* purchaser;

provided, *however*, that in determining whether the Holders of the requisite principal amount of Obligations Outstanding have given any request, demand, order, authorization, direction, notice, consent, waiver or other Act hereunder, Obligations or Related Bonds owned by the Obligated Group Representative, any Obligated Group Member, any Designated Affiliate, or any other obligor upon Obligations or Related Bonds, or any Affiliate of the Obligated Group Representative, any Obligated Group Member, any Designated Affiliate, or such other obligor shall be disregarded and deemed not to be Outstanding, *except* that (A) in determining whether the Master Trustee shall be protected in relying upon any such request, demand, order, authorization, direction, notice, consent, waiver or other Act, only Obligations and Related Bonds which the Master Trustee knows to be so owned shall be so disregarded, and (B) Obligations and Related Bonds so owned which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Master Trustee the pledgee's right so to act with respect to such Obligations or Related Bonds, and that the pledgee is not the Obligated Group Representative, an Obligated Group Member, a Designated Affiliate, or any other obligor upon Obligations or Related Bonds, or any Affiliate of the Obligated Group Representative, an Obligated Group Member, a Designated Affiliate, or such other obligor.

"***Paying Agent***" means any Person authorized by the Obligated Group Representative to pay the principal of (and premium, if any) and interest and other debt service charges on any Obligation on behalf of the Obligated Group Members.

"***Permitted Liens***" means:

(1) ***Good Faith and Security Deposits***: liens arising by reason of good faith deposits by or with any Member of the Obligated Group in connection with tenders, leases of real estate, bids, or contracts (other than contracts for the payment of money), or otherwise in the ordinary course of business, deposits by any Member of the Obligated Group to secure public or statutory obligations or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(2) ***Governmental and Insurance Deposits***: any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable any Member of the Obligated Group to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, pensions or profit-sharing plans, or other social security arrangements, or to share in the privileges or benefits required for institutions participating in such arrangements, including without limitation any funds or assets required by law or governmental regulation to be kept free of encumbrance as a condition to the transaction of any business or the exercise of any privilege or license, which will for all purposes of this Master Indenture be deemed a Permitted Lien subject to a lien in favor of such governmental agency superior to any lien of the Master Trustee under this Master Indenture for so long as such transaction, privilege, license or requirement remains in effect;

(3) ***Judgment Liens***: liens created by or existing from any litigation or legal proceeding, or any judgment lien against any Person, so long as the finality of such litigation, legal proceeding or judgment is being contested in good faith and execution thereon is stayed;

(4) ***Governmental Restrictions***: rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit, or provision of law affecting any property, including any right (a) to terminate such right, power, franchise, grant, license, or permit, (b) to purchase, condemn, appropriate, recapture, or designate a purchaser of such property, or (c) to control, regulate, or zone such property or to use such property in any manner;

(5) ***Governmental Programs***: statutory rights or liens of the United States of America or any state or the District of Columbia, or any agency or political subdivision thereof, by reason of funds being made available to any Member of the Obligated Group under federal or state statutes, regulations or programs;

(6) ***Taxes***: liens for taxes or assessments or other governmental charges or levies to the extent not required to be paid pursuant to *Section 3.15*;

(7) ***Worker's Compensation***: pledges or deposits to secure obligations under worker's compensation laws or similar legislation, including liens of judgments thereunder which are not currently dischargeable;

(8) ***For Work and Supplies***: materialmen's, mechanics', carriers', workmen's, repairmen's, supplier's, vendor's, or other like liens arising in the ordinary course of business, or deposits to obtain the release of such liens;

(9) ***Leases, Licenses and Use Agreements***: leases, licenses or similar use agreements made with respect to property, or existing on property acquired, in the ordinary

course of business or otherwise in connection with the proper and economical use of such property in accordance with customary and prudent business practice;

(10) ***Landlords' and Lessors' Liens***: statutory landlords' liens under leases to which any Member of the Obligated Group is a party or contractual landlords' liens on property located on the leased premises, and liens securing the interests of lessors under leases;

(11) ***Options***: any option granted by any Member of the Obligated Group to others to purchase real property or other assets of such Member;

(12) ***Sellers' Rights***: the rights of sellers under hospital or other facility acquisition agreements, other than liens securing the payment of the sale price or any reversion rights;

(13) ***Service and Other Deposits***: liens on money deposited by or for the account of patients, customers, residents or others with any Person as security for or as prepayment of the cost of any patient care, service, item or residency arrangement provided by or on behalf of such Person;

(14) ***Patient Financing***: liens, encumbrances, pledges or other security interests created or assumed by any Member of the Obligated Group in order to provide or secure financing or credit arrangements for the payment of the cost of any patient care, service, item or residency arrangement provided by such Member of the Obligated Group to any patient, customer or resident;

(15) ***Restrictive Gifts***: liens or encumbrances on property (or on the income therefrom) received by any Member of the Obligated Group as a gift, grant, or bequest, if such lien or encumbrance constitutes or results from restrictions (other than the requirement that the grantee thereof make payment in respect of indebtedness incurred by the grantor with respect to such property) placed on such gift, grant, or bequest (or on the income therefrom) by the grantor thereof;

(16) ***Debt Secured by Donations and Gifts***: security interests in pledges to make a donation, gift, or other charitable contribution to a Member of the Obligated Group that secure indebtedness, the principal of which is fully secured by such security interests in pledges to make a donation, gift, or other charitable contribution to a Member of the Obligated Group on or before the Stated Maturity of such indebtedness;

(17) ***Purchase and Construction Money Liens***: purchase or construction money mortgages, liens, pledges or security interests (which term for purposes of this *Clause (17)* shall include conditional sale agreements or other title retention agreements and leases in the nature of title retention agreements) upon or in property acquired or improved after the Effective Date of this Master Indenture, or mortgages, liens, pledges, or security interests existing in such property at the time of acquisition thereof (or, in the case of any Person which thereafter becomes a Member of the Obligated Group, such mortgages, liens, pledges, or security interests upon or in its real or personal property existing at the time such Person becomes a Member of the Obligated Group), or replacements, extensions, or

renewals of any such mortgages, liens, pledges, or security interests in connection with the replacement, extension, or renewal (with not more than a 2% increase in principal amount) of the indebtedness secured thereby, *provided* that no such mortgage, lien, pledge, or security interest extends or shall extend to or cover any property of any Member of the Obligated Group other than the property then being acquired or constructed or on which improvements are being so constructed, and fixed improvements then or thereafter affixed thereto or erected thereon, rents, profits, and proceeds thereof or of insurance therefor, and insurance, tax, and related impounds;

(18) ***Master Indenture and Additional Security***: any mortgage, lien, charge, pledge, or other security interest or encumbrance of this Master Indenture, including (i) in favor of the Master Trustee pursuant to *Section 5.07* hereof, and (ii) pursuant to *Granting Clause Third* hereof granted as additional security hereafter for the equal and proportionate benefit and security of the Holders from time to time of all of the Outstanding Obligations without any priority of any such Obligations over any other such Obligations;

(19) ***Equal and Ratable Liens***: any mortgage, lien, charge, pledge, or other security interest or encumbrance of any kind upon any property of any character of any Member of the Obligated Group, or any conditional sale agreement or other similar title retention agreement with respect to any such property, if such Person shall make effective provision, and (*unless* such mortgage, lien, charge, pledge, or other security interest or encumbrance is permitted by any other Clause of this definition of "*Permitted Liens*") each applicable Obligated Group Member covenants that in any such case it will make (or will cause a Designated Affiliate within its control to make) effective provision, whereby the obligation of such Person to make payments in respect of the Outstanding Obligations shall be directly secured by such mortgage, lien, charge, pledge, security interest, encumbrance, or agreement equally and ratably upon the same property or assets, or upon other property or assets with a fair market value at least equal to the book value of property or assets subject to such mortgage, lien, charge, pledge, or other security interest or encumbrance, as determined by the Obligated Group Representative, with any and all other obligations and indebtedness thereby secured so long as such other obligations or indebtedness is so secured;

(20) ***Accounts Receivable***: any mortgages, liens, charges, pledges, or other security interests or encumbrances of, on, or in accounts receivable and the proceeds thereof securing an obligation to repurchase or replace accounts receivable sold so long as (i) the maximum amount secured by such mortgage, lien, charge, pledge, or other security interest or encumbrance does not exceed the aggregate sales price of such accounts receivable received by the Member of the Obligated Group selling the same by more than 20%, or (ii) the aggregate amount secured by such mortgages, liens, charges, pledges, or other security interests or encumbrances does not exceed 25% of the Obligated Group Members' aggregate net patient accounts receivable and grant and other receivables, as reflected in the Credit Group Financial Statements for the Fiscal Year immediately preceding, or at the election of the Obligated Group Representative any consecutive 12 month period ending within 180 days preceding, the date of creation of any such mortgage, lien, charge, pledge, or other security interest or encumbrance;

(21) ***Inventory***: any lien on inventory which does not exceed 25% of the Value thereof;

(22) ***Third Party Payor Recoupment***: statutory or contractual liens on money and receivables or other property securing rights of third party payors to recoupment of amounts paid to any Member of the Obligated Group;

(23) ***Certain Easements, Etc.***: easements, leases, reservations, or other rights of others in property for streets, roads, bridges, pipes, pipelines, railroads, electric transmission and distribution lines, telegraph and telephone lines, the removal of oil, gas, coal, or other minerals, and other similar purposes, flood rights, river control and development rights, sewage and drainage rights, restrictions against pollution, and zoning laws and defects and irregularities in the record evidence of title, *provided* that such easements, leases, reservations, rights, restrictions, laws, defects, and irregularities do not materially affect the marketability of title to such property, or the use of such property for the purposes for which it is held, *if* such property is material to the operation of the businesses of the Obligated Group taken as a whole;

(24) ***Liens on Servient Estates***: liens securing indebtedness not created, assumed, or guaranteed by any Member of the Obligated Group nor on account of which any Member customarily pays interest, existing on the Effective Date of this Master Indenture, or, as to property hereafter acquired, at the time of acquisition by any such Person, upon lands over which easements or rights-of-way are acquired by any such Person for any of the purposes specified in *Clause (23)* of this definition, which liens do not materially impair the use of such easements or rights-of-way for the purposes for which they are held by such Person;

(25) ***Salary and Wages***: liens or privileges of any employees of any Member of the Obligated Group for salary or wages earned but not yet payable;

(26) ***Minor Irregularities***: any irregularities in or deficiencies of title to any real estate used or to be used primarily for right-of-way purposes, *provided* that any Member of the Obligated Group shall have obtained from the apparent owner of the lands or estates therein covered by any such right-of-way a sufficient right, by the terms of the instrument granting such right-of-way, to the use thereof for the construction, operation, or maintenance of the lines, appurtenances, or improvements for which the same are used or are to be used;

(27) ***Mineral Interests***: any charge or encumbrance arising from a conveyance by any Member of the Obligated Group of a production payment with respect to mineral deposits owned or leased by such Member; farm-out or carried working interest agreements for development by any Member of the Obligated Group or others of non-producing leases or non-producing portions of oil or gas producing properties; and participations in joint operating agreements, unitization agreements and operations covering, in each case, oil and gas producing properties; *provided* that an oil or gas royalty, overriding royalty, or production payment shall not be deemed to be a charge or encumbrance upon the related working interest;

(28) ***Priority Claims of Debtors***: claims of creditors entitled to priority under the so-called "six months rule" as applied by courts of equity in proceedings for the administration of insolvent corporations;

(29) ***Liens on Acquired Property***: any mortgage, lien, charge, pledge, or other security interest or encumbrance existing with respect to property at the time of its acquisition through purchase, merger, consolidation, or otherwise, and replacements, extensions, or renewals of any such mortgage, lien, charge, pledge, or other security interest or encumbrance; *provided* that (i) such mortgage, lien, charge, pledge, or other security interest or encumbrance was not created in contemplation of such acquisition, and (ii) the aggregate principal amount secured by such mortgage, lien, charge, pledge, or other security interest or encumbrance shall not exceed at the time of acquisition of such property the lesser of the cost or fair market value of such property as determined in good faith by the Person acquiring the property through purchase, merger, consolidation, or otherwise;

(30) ***Existing Liens***: any mortgage, lien, charge, pledge, or other security interest or encumbrance of, on, or in any property of a Member of the Obligated Group that is existing on the Effective Date of this Master Indenture, and any existing mortgage, lien, charge, pledge, or other security interest or encumbrance of, on, or in any property of an Obligated Group Member on the date such Person becomes an Obligated Group Member, and any renewal of any lien described in this *Clause (30)* in connection with the replacement, extension, or renewal (with not more than a 2% increase in principal amount) of the indebtedness secured thereby; *provided* that no such lien may be extended, renewed, or modified to spread to any property of such Person not subject to such lien on such Effective Date, *except* to the extent that such lien, as so extended, renewed, or modified, could have been granted or created under any provision of this Master Indenture;

(31) ***Refunding Liens***: any mortgage, lien, charge, pledge, or other security interest or encumbrance of, on, or in any property of a Member of the Obligated Group securing indebtedness that is incurred to refund or refinance indebtedness of a Member of the Obligated Group previously secured by such mortgage, lien, charge, pledge, or other security interest or encumbrance; *provided* that the aggregate principal amount of such new indebtedness does not exceed the aggregate principal amount of such refunded or refinanced indebtedness by more than 2%;

(32) ***Credit or Liquidity Enhancement***: any lien or other encumbrance on debt instruments owned by or on behalf of a Person that have been purchased under a credit or liquidity facility issued to secure or support other indebtedness or Related Bonds;

(33) ***Set-Off Rights***: any right of set-off, any right to exercise a banker's lien, or any right of attachment authorized under a credit or liquidity facility issued to secure or support other indebtedness; *provided* that such rights do not benefit any Obligation;

(34) ***Financial Hedge Collateral***: any lien or other encumbrance on cash, securities and other collateral pledged to secure payments on a Financial Hedge; *provided, however,* that the allowance for such a lien or other encumbrance pursuant to this *Clause (34)* shall not in and of itself operate to (i) create any lien or other security interest

under this Master Indenture in favor of the counterparty to such Financial Hedge, or (ii) alter the priority under this Master Indenture of the payments on any Obligations relating to such Financial Hedge;

(35) ***Withheld Amounts***: liens on proceeds of indebtedness (or on income from the investment of such proceeds) that secure payment of such indebtedness or other indebtedness on parity with such indebtedness;

(36) ***Debt Service, Reserve and Related Funds***: any lien on, security interest in, or pledge of money or obligations set aside or deposited with a trustee to fund a debt service, project, proceeds, purchase, rebate, debt service reserve, depreciation reserve, or other similar fund or account with respect to indebtedness or Related Bonds in accordance with the instrument under which such indebtedness or Related Bonds may be created, issued or secured, including any such funds or accounts created by a Supplement providing for the issuance of any Obligation;

(37) ***Defeasance Deposits***: any lien on, security interest in, or pledge of money or obligations deposited with a trustee or escrow agent to cause indebtedness to be no longer outstanding in accordance with the instrument under which such indebtedness is issued;

(38) ***Within the Credit Group***: mortgages, liens, charges, pledges, or other security interests or encumbrances by any Member of the Credit Group as security for indebtedness owed to any other Member of the Credit Group;

(39) ***De Minimis Liens***: any mortgage, lien, charge, pledge, or other security interest or encumbrance securing an indebtedness of less than $1,000,000;

(40) ***Temporary Liens***: any mortgage, lien, charge, pledge, or other security interest or encumbrance existing for not more than 10 days after the Obligated Group Representative shall have received notice thereof;

(41) ***Basket***: any mortgage, lien, charge, pledge or other security interest or encumbrance of any kind if the Value of all Property of the Obligated Group subject to mortgages, liens, charges, pledges or other security interests or encumbrances incurred pursuant to this *Clause (41)* does not exceed 20% of the Value of all Property of the System;

(42) ***Ordinary Course Encumbrances***: any other lien or encumbrance created or incurred in the ordinary course of business that does not secure, directly or indirectly, the repayment of indebtedness and which does not, individually or in the aggregate and in the judgment of the Obligated Group Representative, materially impair the value or the utility of the property subject to such lien or encumbrance; and

(43) ***Certain County Rights***: The rights of Twin Falls County, Idaho created by Section 12.2 of the Sale and Lease Agreement for the Creation of a New Health System, dated March 16, 2006, as it may from time to time be amended, supplemented, modified or restated, between and among St, Luke's Health System, Ltd., St. Luke's Regional

Medical Center, Ltd., St. Luke's Magic Valley Regional Medical Center, Ltd., Twin Falls County, Idaho, and Twin Falls Health Initiatives Trust, Ltd.

"***Person***" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"***Pledged Accounts***" means the rights to receive the patient fees (whether paid by the patient or by any other party) and the rights to receive all other receipts, revenues and income of any Member of the Obligated Group or on behalf of the Obligated Group by the Master Trustee or a receiver, including, without limiting the generality of the foregoing, revenues derived from the operation of such Obligated Group Member's Property, whether in the form of accounts receivables, contract rights, chattel paper, general intangibles, other rights, profits and income, or other rights and the proceeds of such rights, whether now owned or held or hereafter coming into existence, but excluding the rights to receive any gifts, donations, pledges, grants, legacies, bequests, demises or contributions heretofore or hereafter made and designated or specified by the donor or maker thereof as being for a specific purpose and thus not available for payment of debt service or other charges on Obligations.

"***Projected Debt Service Coverage Ratio***" for any Fiscal Year means the quotient obtained by dividing, at the option of the Obligated Group Representative and if permitted by *Section 1.06*, (1) the Estimated Consolidated Income Available for Debt Service of the System for such Fiscal Year by the Maximum Debt Service Requirement of the System, or (2) the Estimated Consolidated Income Available for Debt Service of the Credit Group for such Fiscal Year by the Maximum Debt Service Requirement of the Credit Group, all as established in accordance with and pursuant to *Section 1.06*.

"***Property***" means any and all rights, titles and interests in and to any and all property and assets, whether real or personal, tangible or intangible, including cash, and wherever situated.

"***Rating Agency***" means each of Fitch, Moody's and S&P, which at the time has a credit rating assigned to any series of Obligations (or any other Indebtedness secured by an Obligation, other than the Indebtedness of a Guaranteed Person) at the request of the Obligated Group Representative.

"***Related Bond Indenture***" means any indenture, bond resolution or other comparable instrument pursuant to which a series of Related Bonds is issued.

"***Related Bond Trustee***" means the trustee and its successors in the trusts created under any Related Bond Indenture.

"***Related Bonds***" means the revenue bonds or other obligations (including, without limitation, installment sale or lease obligations evidenced by certificates of participation) issued by any state, territory or possession of the United States or any municipal corporation or political subdivision formed under the laws thereof or any constituted authority or agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof (a "***governmental issuer***"), pursuant to a single Related Bond Indenture, the proceeds of which are loaned or otherwise made available to (i) a Member of the Obligated Group in consideration of the

execution, authentication and delivery of an Obligation to or for the order of such governmental issuer, or (ii) any Person other than a Member of the Obligated Group in consideration of the issuance to such governmental issuer (A) by such Person of any evidence of indebtedness or other obligation of such Person and (B) by a Member of the Obligated Group of a Guaranty in respect of such indebtedness or other obligation, which Guaranty is represented by an Obligation.

"***Replacement Master Indenture***" means a master trust indenture entered into by the New Group and a master trustee that, *inter alia*, provides either (i) that all Outstanding Obligations hereunder shall be deemed to be a note or obligation issued under and entitled to the security and benefits of such Replacement Master Indenture without the necessity of any amendment, exchange or replacement of such Obligations, or (ii) for the exchange or replacement of all Outstanding Obligations hereunder with notes or obligations issued under and entitled to the benefits of such Replacement Master Indenture.

"***Responsible Officer***" when used with respect to the Master Trustee means the officer in the corporate trust department or any similar business unit of the Master Trustee (or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject) having direct responsibility for the administration of this Master Indenture.

"***Restricted Amounts***" means (i) gifts, grants, bequests, donations and contributions, and the proceeds, income and gains derived therefrom, which are specifically restricted by the donor or grantor to an object or purpose that is inconsistent with or precludes its use for payments required under this Master Indenture or on the Obligations, and (ii) revenues, funds, property, rights or receivables the granting, assignment, pledge, transfer or payment of which is prohibited by their terms or by Governmental Restrictions, or which would become void or voidable if granted, assigned, pledged, transferred or paid.

"***S&P***" means S&P Global Ratings, a division of S&P Global Inc., or any successor to its credit rating business.

"***Short-Term Indebtedness***" means Indebtedness having a maturity of one year or less, other than the current portion of Long-Term Indebtedness, including: (i) money borrowed for an original term, or renewable at the option of the borrower for a period from the date originally incurred, of one year or less, (ii) finance leases determined in accordance with generally accepted accounting principles and having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less, and (iii) installment purchase or conditional sale contracts having an original term of one year or less; *provided* that Short-Term Indebtedness shall not include any operating leases determined in accordance with generally accepted accounting principles.

"***SIFMA Index***" means for any day the level of the most recently effective index rate which is issued or published weekly and which is compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Bloomberg L.P. which meet specific criteria established from time to time by the Securities Industry and Financial Markets Association.

"***Stated Maturity***" when used with respect to any Indebtedness or any installment of interest thereon means the date specified in such Indebtedness or in the coupon representing such installment of interest as the fixed date on which the principal of such Indebtedness or such installment of interest is due and payable, and when used in connection with Obligations that are not Indebtedness means the date for payment of the same.

"***Subordinated Indebtedness***" means Indebtedness that is expressly made subordinate and junior in right of payment of principal of (and premium, if any) and interest and other debt service charges on, (a) all Obligations issued pursuant to this Master Indenture, and (b) all other obligations of the Obligated Group hereunder, on terms and conditions which substantially require that (i) no payment on account of principal of (and premium, if any) or interest or other debt service charges on such Subordinated Indebtedness shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of such Subordinated Indebtedness, unless full payment of all amounts then due and owing upon Maturity or Stated Maturity of Obligations issued under this Master Indenture have been made or duly provided for in accordance with the terms of such Obligations; and (ii) no payment on account of principal of (and premium, if any) or interest or other debt service charges on such Subordinated Indebtedness shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of such Subordinated Indebtedness if, at the time of such payment or application, or immediately after giving effect thereto, (1) there shall exist a default in the payment of the principal of (and premium, if any) or interest or other debt service charges on any Obligations, or (2) there shall have occurred an Event of Default, and such Event of Default shall not have been cured or waived or shall not have ceased to exist.

"***Supplement***" means an indenture supplemental to, and authorized and executed pursuant to the terms of, this Master Indenture.

"***System***" means the Person that all of the financial results of the Credit Group consolidate into or combine with or, if no such single Person exists, the group of Persons comprised of all Members of the Credit Group and all of their Affiliates.

"***System Financial Statements***" means the consolidated or combined financial statements prepared in accordance with generally accepted accounting principles, that include financial information of the Members of the Credit Group and of any Affiliate the financial information of which is required by generally accepted accounting principles to be consolidated or combined with the financial information of the Members of the Credit Group.

"***Total Revenues***" means total revenues, gains and other support, net contractual adjustments.

"***Transaction Test***" means the Master Trustee shall have received an Officer's Certificate of the Obligated Group Representative:

(a) stating that no Default or Event of Default hereunder then exists or would result from the proposed transaction; and

(b) (i) demonstrating that the Consolidated Income Available for Debt Service of the Credit Group immediately after the proposed transaction would not be less than 110%

of the Maximum Debt Service Requirement of the Obligated Group Members, based on Financial Statements for the most recent Fiscal Year; or

(ii) demonstrating that the unrestricted net assets of the Obligated Group Members immediately after the proposed transaction will be at least equal to 70% of the unrestricted net assets of the Obligated Group Members immediately prior to the proposed transaction, based on Financial Statements for the most recent Fiscal Year; or

(iii) demonstrating that all Long-Term Indebtedness of the Credit Group would not exceed 67% of the Capitalization of the Credit Group immediately after the proposed transaction, based on Financial Statements for the most recent Fiscal Year; or

(iv) demonstrating that at least one dollar ($1.00) of additional Long-Term Indebtedness could be issued under *Section 3.06.B(2)*.

"***Trust Estate***" has the meaning stated in the habendum to the *Granting Clauses* of this Master Indenture.

"***UCC***" means, with respect to each Obligated Group Member, the Uniform Commercial Code as in effect from time to time of the jurisdiction in which such Obligated Group Member is located.

"***Unrestricted Cash and Investments***" means the sum of cash, securities and investments, including, without limitation, board-designated funds and investments in mutual funds, privately held funds, limited partnerships and limited liability companies, held by a Person at the end of the applicable fiscal period, minus, to the extent included above, (i) trustee-held funds derived from, or held for the payment of, Indebtedness, including, without limitation, debt service, construction, project, rebate, debt service reserve and escrow funds, and (ii) amounts required to be set aside by donor restriction, contractual agreement or by law or regulation to meet a specific obligation or potential obligation of such Person or an Affiliate of such Person, including, without limitation, malpractice exposure, self-insurance trusts or captive insurer commitments, and pension or retirement fund payments; *provided*, *however*, that any amount in excess of amounts required to be set aside by any such donor restriction, contractual agreement or by law or regulation to meet a specific obligation or potential obligation of such Person or an Affiliate of such Person shall be included in Unrestricted Cash and Investments.

"***Value***" of any Property of any Person means, at the option of such Person, either the book value of such Property or the Current Value of such Property.

Section 1.02. ***Acts of Holders of Obligations.***

A. ***Acts of Holders*.** Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Master Indenture to be given or taken by the Holders of Obligations may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing, and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Master Trustee and, if hereby expressly required, to the Obligated Group Representative and the Obligated Group Members. Such instrument or instruments (and

the action embodied therein and evidenced thereby) are herein sometimes referred to as the "***Act***" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Master Indenture and conclusive in favor or the Obligated Group Representative and the Obligated Group Members and (subject to *Section 5.01*) in favor of the Master Trustee, if made in the manner provided in this Section.

B. ***Proof of Execution.*** The fact and date of the execution by any Person of any instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to such notary public or other officer the execution thereof. Whenever such execution is by an officer or member of a corporation, partnership or other entity on behalf of such corporation, partnership or other entity, such certificate or affidavit shall also constitute sufficient proof of such officer's or member's authority. The fact and date of execution by any Person of any such instrument or writing and the authority of such Person to execute the same may also be proved in any other manner which the Master Trustee deems sufficient. The Master Trustee may in any instance require further proof with respect to any of the matters referred to in this Section.

C. ***Proof of Ownership.*** The ownership of Obligations shall be proved by the Obligation Register.

D. ***Binding Effect.*** Any request, demand, authorization, direction, notice, consent, waiver, or other action by a Holder of an Obligation shall irrevocably bind every future Holder of the same Obligation and the Holder of every Obligation issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Master Trustee, the Obligated Group Representative, or any Obligated Group Member in reliance thereon, whether or not notation of such action is made upon such Obligation.

Section 1.03. ***Notices, Etc., to Master Trustee, Obligated Group Representative, and Credit Group.***

Any request, demand, authorization, direction, notice, consent, waiver, or Act of Holders of Obligations or other document provided or permitted by this Master Indenture to be made upon, given or furnished to, or filed with,

A. ***Master Trustee***: the Master Trustee by any Holder of an Obligation, the Obligated Group Representative, any Member of the Credit Group, any Affiliate of the Obligated Group Representative, or any Affiliate of any Member of the Credit Group shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid (except as otherwise provided in *Subsection 4.01.C*), to the Master Trustee at Computershare Trust Company, National Association, [Notice Address], or if given to the Master Trustee by e-mail to [Notice E-Mail], or at such other address or to such other e-mail address furnished in writing to such Person by the Master Trustee, or

B. ***Obligated Group Representative and Members of the Credit Group***: the Obligated Group Representative and any Member of the Credit Group by the Master

Trustee or any Holder of an Obligation shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid (except as otherwise provided in *Subsection 4.01.C*), to such Person addressed to it at St. Luke's Health System, Ltd., [Notice Address], or at such other address furnished in writing to the Master Trustee by the Obligated Group Representative.

Where this Master Indenture provides for notice to Holders of Obligations of any event, such notice shall be sufficiently given (*unless* otherwise herein expressly provided) if in writing and mailed to each Holder of an Obligation by first-class mail, postage prepaid, at the address of such Holder as it appears in the Obligation Register, not later than the latest date, and not earlier than the earliest date, if any, prescribed for the giving of such notice. Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder of an Obligation shall affect the sufficiency of such notice with respect to other Holders of Obligations.

Where this Master Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Written waivers of notice by Holders of Obligations shall be filed with the Master Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.04. ***Form and Contents of Documents Delivered to Master Trustee.***

Whenever several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of any Person may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such officer's certificate or opinion is based are erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer of any Person stating that the information with respect to such factual matters is in the possession of such Person, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Whenever any Person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments under this Master Indenture, they may, but need not, be consolidated and form one instrument.

Wherever in this Master Indenture, in connection with any application or certificate or report to the Master Trustee, it is provided that any Person shall deliver any document as a condition of the granting of such application, or as evidence of compliance by any Person with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application

or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of such Person to have such application granted or to the sufficiency of such certificate or report, but all action taken hereunder pursuant to any such application or certificate shall be final and effective in favor of all Persons who have relied thereon without knowledge of any untruth or inaccuracy of such facts and opinions.

Section 1.05. ***Compliance Certificates and Opinions.***

Upon any application or request by any Person to the Master Trustee to take any action under any provision of this Master Indenture, such Person shall, *if* the Master Trustee shall so request, furnish to the Master Trustee an Officer's Certificate or Opinion of Counsel stating that all conditions precedent, if any, provided for in this Master Indenture relating to the proposed action have been complied with, *except* that in the case of any such application or request as to which the furnishing of such document is specifically required by any provision of this Master Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Section 1.06. ***Certain Certificates and Reports; Generally Accepted Accounting Principles.***

Whenever the amount or date of any of the following is a condition to any act permitted hereunder,

A. any of:

(1) "*Capitalization*," "*Days Cash on Hand*," "*Debt Service Requirement*," or "*Maximum Debt Service Requirement*" of any Persons,

(2) "*Consolidated Income Available for Debt Service*," "*Daily Cash Expenses*," "*Estimated Consolidated Income Available for Debt Service*," "*Income Available for Debt Service*" or "*Total Revenues*" of any Persons for any prior Fiscal Year or period,

(3) principal of (and premium, if any) and interest and other debt service charges on any Indebtedness,

(4) the "*book value*" of Property or "*Unrestricted Cash and Investments*" as of any date, and

(5) the "*market value*" of investments or property as of any date,

shall be established by an Officer's Certificate of the Obligated Group Representative stating the amount of such item and that such amount has been derived, to the extent applicable and subject to the provisions of this Section, from the Financial Statements for the most recently ended Fiscal Year or from the unaudited financial statements covering the applicable period if not required to be a Fiscal Year, *provided* that Capitalization, Consolidated Income Available for Debt Service, Daily Cash Expenses, Days Cash on Hand, Debt Service Requirement, Estimated Consolidated Income Available for Debt

Service, Income Available for Debt Service, Maximum Debt Service Requirement, Total Revenues and Unrestricted Cash and Investments may be adjusted, at the election of the Obligated Group Representative, to eliminate items relating to transactions between Persons who are Obligated Group Members or Designated Affiliates, as applicable, but whose financial information is reflected in separate Financial Statements or financial statements, as though such items were intercompany items and such Persons' financial information was consolidated or combined in a single set of Financial Statements or financial statements; and

B. unless otherwise specified herein, the "*fair market value*" of property of the Obligated Group, the Credit Group, or the System or any Member thereof shall be established by an Officer's Certificate of the Obligated Group Representative stating the amount of such fair market value.

Provisions referring to the preparation of Financial Statements or financial statements or the determination of specific elements appearing in Financial Statements or financial statements in accordance with generally accepted accounting principles in the United States shall mean the generally accepted accounting principles at such time for the Person in question, *subject, however*, to the following:

(i) the Credit Group or the System may, but shall not be required to, record as revenue or receivables the estimated realizable value of pledges when such pledges are made;

(ii) in addition to the departures from generally accepted accounting principles in the United States described in *Clauses (i), (iii)* and *(iv)*, for the determinations, certifications, computations or other actions hereunder (including calculations of Capitalization, Consolidated Income Available for Debt Service, Daily Cash Expenses, Days Cash on Hand, Debt Service Requirement, Estimated Consolidated Income Available for Debt Service, Income Available for Debt Service, Maximum Debt Service Requirement, Total Revenues and Unrestricted Cash and Investments) the Obligated Group Representative may elect in an Officer's Certificate delivered to the Master Trustee to utilize generally accepted accounting principles in the United States used in the preparation of the financial statements of the Corporation for the Fiscal Year ending September 30, 2024;

(iii) in addition to the departures from generally accepted accounting principles in the United States described in *Clauses (i), (ii)* and *(iv)*, the Obligated Group Representative may elect in an Officer's Certificate delivered to the Master Trustee to utilize generally accepted accounting principles in the United States or any related standard or pronouncement in effect as of the date of a determination, certification, computation, or other action hereunder, until such time as such an election is made with respect thereto to utilize generally accepted accounting principles or any related standard or pronouncement coming into effect subsequent to the date of such prior election; and

(iv) in addition to the departures from generally accepted accounting principles in the United States described in *Clauses (i), (ii)* and *(iii)*, such departures as are necessary

for the preparation of any special purpose financial statements delivered pursuant to *Section 3.09.B.*

Notwithstanding any other provision herein to the contrary,

1. if the Credit Group wishes to effect a transaction for which it is necessary to determine or report certain financial information based upon Financial Statements for the immediately preceding Fiscal Year or the most recently ended Fiscal Year, and fewer than 180 days have passed since the end of such Fiscal Year and Financial Statements for such Fiscal Year are not available that have been audited by an independent certified public accountant and contain such independent certified public accountant's report thereon (or are otherwise contained in Financial Statements that have been audited by an independent certified public accountant and contain such independent certified public accountant's report thereon), the Credit Group may effect the transaction in question if the appropriate conditions are met, as evidenced by, at the election of the Obligated Group Representative, information contained in (i) the Financial Statements for the Fiscal Year preceding the one just ended or (ii) the unaudited financial statements of the Credit Group or the System, as applicable, for the Fiscal Year just ended;

2. if the Credit Group is permitted to effect a transaction hereunder using Financial Statements covering a period of less than 12 months (or such period has less than 12 months of operations) or using unaudited financial statements covering a period of less than 12 months (or such period has less than 12 months of operations), then, at the election of the Obligated Group Representative, the required components of such calculation (other than the items directly derived from the Financial Statements or unaudited financial statements covering a period of less than 12 months or a period of operations having less than 12 months) shall be prorated to reflect such shorter period or annualized to reflect a full 12 months; and

3. for any and all purposes of this Master Indenture (other than for the delivery of Financial Statements to the Master Trustee pursuant to *Section 3.09.B*), including but not limited to computations or calculations of financial levels and ratios, and the application of any other quantitative financial tests or provisions, the Credit Group, at the option of the Obligated Group Representative, may, unless the context specifically requires otherwise, utilize financial and other information either as shown on the most recent Credit Group Financial Statements or as shown on the most recent System Financial Statements, and any reference in the related provision of this Master Indenture to Financial Statements shall be deemed to be a reference to the Credit Group Financial Statements or the System Financial Statements, as applicable; *provided, however*, that the financial and other information shown on the most recent System Financial Statements may be used only if the Total Revenues of the Obligated Group as shown on a consolidating schedule contained in such Financial Statements account for 75% or more of the consolidated Total Revenues of the System as shown in such Financial Statements.

Section 1.07. ***Effect of Headings and Table of Contents.***

The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.08. ***Successors and Assigns.***

All covenants and agreements in this Master Indenture by the Obligated Group Representative and the Credit Group Members shall bind their respective successors and assigns, whether so expressed or not.

Section 1.09. ***Severability Clause.***

In case any provision in this Master Indenture or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

Section 1.10. ***Benefits of Indenture.***

Nothing in this Master Indenture shall give to any Person, other than the parties hereto (including all Persons which have assumed the obligations of an Obligated Group Member or a Designated Affiliate hereunder) and their successors hereunder, any separate trustee or co-trustee appointed under *Section 5.12*, any Paying Agent, and the Holders of Outstanding Obligations, any benefit or any legal or equitable right, remedy, or claim under this Master Indenture.

Section 1.11. ***Governing Law and Waiver of Jury Trial.***

This Master Indenture shall be construed in accordance with and governed by the laws of the State of Idaho. EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS MASTER INDENTURE AND THE TRANSACTIONS CONTEMPLATED HEREBY. THIS WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

Section 1.12. ***Directors, Officers, Employees, and Agents Exempt from Personal Liability.***

This Master Indenture is solely a corporate obligation of the Master Trustee, the Obligated Group Members and the Designated Affiliates, respectively, and no recourse under or upon any obligation, covenant, or agreement of this Master Indenture, or for any claim based hereon or otherwise in respect hereof, shall be had against any past, present, or future director, member, trustee, officer, employee, or agent, as such, of the Master Trustee, any Obligated Group Member, any Designated Affiliate, or any successor to any such Person, either directly or through such Person, whether by virtue of any constitution, statute, or rule of law, by the enforcement of any assignment or penalty, or otherwise. All such liability and claims against such directors, members, trustees, officers, employees, and agents are expressly waived and released as a condition of, and in consideration for, the execution and delivery of this Master Indenture and the issuance of Obligations hereunder.

Section 1.13. ***Electronic Communications and Signatures.***

The Master Trustee shall have the right to accept and act upon directions or instructions from the Obligated Group Representative delivered using Electronic Communications; *provided, however*, that the Obligated Group Representative shall provide to the Master Trustee an incumbency certificate listing the Authorized Representatives with the authority to provide such directions or instructions and containing specimen signatures of such Authorized Representatives, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Obligated Group Representative elects to give the Master Trustee directions or instructions using Electronic Communications and the Master Trustee in its discretion elects to act upon such directions or instructions, the Master Trustee's understanding of such directions or instructions shall be deemed controlling. The Obligated Group Representative understands and agrees that the Master Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Master Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Authorized Representative listed on the incumbency certificate provided to the Master Trustee have been sent by such Authorized Representative. The Obligated Group Representative shall be responsible for ensuring that only Authorized Representatives transmit such directions or instructions to the Master Trustee and that all Authorized Representatives treat applicable user and authorization codes, passwords and/or authentication keys as confidential. The Master Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Master Trustee's reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The Obligated Group Representative agrees: (i) to assume all risks arising out of the use of Electronic Communications to submit directions or instructions to the Master Trustee, including without limitation the risk of the Master Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Master Trustee and that there may be more secure methods of transmitting directions or instructions than the method selected by the Obligated Group Representative; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances, and (iv) to notify the Master Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Subject to *Section 2.03*, each of the parties hereto agrees that the transaction consisting of this Master Indenture and any Supplement may be conducted by electronic means under the Uniform Electronic Transactions Act (Idaho Code § 28-50-101 *et seq*.) or any successor statute, rule or regulation. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Master Indenture or any Supplement using an electronic signature, it is signing, adopting and accepting this Master Indenture and such Supplement, and that signing this Master Indenture and such Supplement using an electronic signature shall have the same force and effect and is the legal equivalent of having placed its handwritten signature on this Master Indenture or such Supplement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Master Indenture, and will be provided with an electronic or paper copy of any Supplement, in a usable format capable of retention by the recipient at the time of receipt. Subject to *Section 2.03*, the words "*execution*," "*signed*," "*signature*," "*delivery*" and words of like

import in or relating to this Master Indenture and/or any Supplement, document, notice, instrument or certificate to be signed and/or delivered in connection with this Master Indenture, any Supplement and the transactions contemplated hereby or thereby shall be deemed to include Electronic Signatures (as defined below), electronic deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, admissibility in evidence, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. "*Electronic Signatures*" means any electronic symbol or process attached to, or associated with, any contract or other record and executed or adopted by a person with the intent to sign, authenticate or accept such contract or record.

Section 1.14. ***Obligated Group Representative.***

With respect to any Officer's Certificate, Consent, Order, Request, Application, or other certification, notice, demand, report or other communication required or permitted hereby to be delivered by one or more Members of the Credit Group or any officer or officers thereof to the Master Trustee, it shall be sufficient, notwithstanding any other provision hereof, for the same to be delivered on behalf of such Persons by the Person designated as the Obligated Group Representative, and the signature of such Person (or, if such Person be other than an individual, of an Authorized Representative of such Person) shall suffice for each signature otherwise required by this Master Indenture to appear on such document.

Each Obligated Group Member hereby grants (and by agreeing to observe and perform the obligations of an Obligated Group Member hereunder pursuant to *Subsection 9.01.A*, a Person shall thereby grant) and each Designated Affiliate hereby grants (and by agreeing to observe and perform the obligations of a Designated Affiliate hereunder pursuant to *Subsection 9.03.A*, a Person shall thereby grant) to the Obligated Group Representative the powers, in the name and stead of such Obligated Group Member and Designated Affiliate:

A. to issue or consent to any Indebtedness or other obligation becoming an Obligation under this Master Indenture and to execute and deliver such Obligation;

B. to execute and deliver from time to time one or more Supplements in accordance with *Article VI*;

C. to execute and deliver, in the name and on behalf of each Member of the Credit Group or any officer thereof, or in the name and on behalf of the Credit Group, the Obligated Group or the Designated Affiliates as a whole, any and all instruments, agreements, amendments, supplements, resolutions, certificates, notices, consents, approvals or other related or ancillary documents required or permitted to be executed and delivered hereunder or related to the issuance of any Obligation; *provided* that the Obligated Group Representative may direct that any Obligated Group Member execute any and all documents related to Indebtedness incurred by or for the benefit of such Obligated Group Member;

D. to execute and deliver, in the name and on behalf of each Member of the Credit Group or any officer thereof, or in the name and on behalf of the Credit Group, the Obligated Group or the Designated Affiliates as a whole, any and all instruments,

agreements, indentures, bonds, notes, leases, deeds of trust, mortgages, disclosure undertakings, amendments, supplements, resolutions, certificates, notices, consents, approvals or other related or ancillary documents related to or constituting Related Bonds, Financial Hedges, Indebtedness or other obligations that are, or are secured by, an Obligation; and

E. to take any other action as may be deemed necessary or desirable by the Obligated Group Representative in connection with the issuance of Obligations or other transactions involving (i) this Master Indenture, (ii) any Obligation, or (iii) any Related Bonds, Financial Hedges, Indebtedness or other obligations that are, or are secured by, an Obligation.

The Corporation is hereby designated as the initial Obligated Group Representative. The Credit Group may at any time remove an Obligated Group Representative and appoint another Obligated Group Member to serve as Obligated Group Representative by an Order from each Member of the Credit Group effecting such removal and appointment. Such Order or Orders shall state the date as of which such Obligated Group Representative shall no longer have authority to act in such capacity, which date may not be earlier than the fifth Business Day following delivery to the Master Trustee of all Orders necessary to accomplish such removal, and the date as of which such new Obligated Group Representative shall have authority to act as such.

Each delivery by the Obligated Group Representative to the Master Trustee of any communication on behalf of a Member of the Credit Group will constitute a representation and warranty by the Obligated Group Representative that it has received appropriate documentation from such Member of the Credit Group with respect to the subject matter of such communication, and that the Obligated Group Representative is not aware of any fact that would lead it to believe that the statements contained in such communication are incorrect or incomplete.

Section 1.15. ***References to Holders of Obligations.***

Anything in this Master Indenture to the contrary notwithstanding Authorized Representatives:

A. if (i) any Indebtedness that is secured by or constitutes an Obligation is secured or enhanced by a letter of credit, line of credit, credit agreement, guaranty, insurance policy, surety bond, or similar credit enhancement or support for such Indebtedness (collectively, "***Credit Support***"), (ii) the terms and conditions of such Credit Support or the instruments authorizing such Indebtedness specify that the provider of such Credit Support (a "***Credit Support Provider***") is deemed the holder of the related Obligation, and (iii) the related Obligation is not otherwise registered in the name of the Credit Support Provider in the Obligation Register, then the Credit Support Provider shall be considered the Holder of such Obligation hereunder for purposes of any request, demand, authorization, direction, notice, consent, waiver, or other action provided in this Master Indenture to be given or taken by the Holder of such Obligation; and

B. if (i) any Obligation is, or evidences and secures, Indebtedness purchased in a bank direct private placement or similar transaction (each, a "***Bank Direct Purchase***"), (ii) the terms and conditions of such Bank Direct Purchase or the instruments authorizing such Indebtedness

specify that the purchaser of such Indebtedness (a "***Bank Direct Purchaser***") is deemed the holder of the related Obligation, and (iii) the related Obligation is not otherwise registered in the name of the Bank Direct Purchaser in the Obligation Register, then the Bank Direct Purchaser shall be considered the Holder of such Obligation hereunder for purposes of any request, demand, authorization, direction, notice, consent, waiver, or other action provided in this Master Indenture to be given or taken by the Holder of such Obligation.

* * *

ARTICLE II
ISSUANCE OF OBLIGATIONS

Section 2.01. ***General Provisions.***

The Existing Obligations listed on *Exhibit A* hereto are and shall be Obligations entitled to the benefits hereof while the same remain Outstanding. Additional promissory notes, drafts, bonds, guarantees, and other obligations which evidence or are Indebtedness (or related fee, expense, reimbursement, indemnity, or Financial Hedge obligations, or any obligations to reimburse advances or make other payments under a letter of credit, revolving credit agreement, surety bond, bond insurance policy, standby bond purchase agreement, direct purchase agreement, or similar credit or liquidity obligations, in each case whether entered into before, contemporaneously with, or after the incurrence of such Indebtedness, or for any other general corporate purpose) of any Obligated Group Member shall become Obligations hereunder and shall be entitled to the benefits hereof, *pari passu* with all other Outstanding Obligations from time to time upon Application by the Obligated Group Representative or delivery of a Supplement and receipt in every case by the Master Trustee of the following:

A. ***Resolution***: a Governing Body Resolution of such issuing Obligated Group Member authorizing the incurrence of such Indebtedness (or related fee, expense, reimbursement, indemnity, or Financial Hedge obligation, or any obligation to reimburse advances under a letter of credit, revolving credit agreement, surety bond, bond insurance policy, standby bond purchase agreement, direct purchase agreement, or similar credit or liquidity obligation, in each case whether entered into before, contemporaneously with, or after the incurrence of such Indebtedness, or for any other general corporate purpose);

B. ***Officer's Certificate***: an Officer's Certificate of the Obligated Group Representative, dated within 10 days of the date of such Application or Supplement, stating that no Default or Event of Default exists and that all conditions precedent provided for in this Master Indenture relating to the creation, assumption, or guaranty of such Indebtedness (or any such related obligation) as an Obligation hereunder have been complied with; and

C. ***Opinion of Counsel***: an Opinion of Counsel to the effect that:

(1) ***Compliance with Conditions***: all conditions precedent provided for in this Master Indenture relating to the creation, assumption, or guaranty of such Indebtedness (or any such related obligation) as an Obligation hereunder have been complied with, and

(2) ***Binding Obligations***: subject to customary exceptions, such Obligation is a legal, valid, and binding obligation of such issuing Obligated Group Member enforceable in accordance with its terms.

All Obligations issued and outstanding under this Master Indenture shall be equally and ratably secured by this Master Indenture, except as otherwise permitted hereby and as specifically provided in the Applications, Supplements, or other documents pursuant to which such Obligations are issued. Without limiting the generality of the foregoing, any non-scheduled payments, such as termination payments, indemnification payments, gross-

up payments, expense and default interest payments and the like in respect of Financial Hedges or any Indebtedness, may be made subordinate to the payments due on all other Obligations, as and to the extent provided in the form of Obligation representing or securing such Financial Hedges or Indebtedness, or in such Application or Supplement related to such Obligation. Any Obligation to be held by a Related Bond Trustee in connection with the issuance of Related Bonds shall be in the principal amount equal to the Aggregate Principal Amount of such Related Bonds and shall be registered in the name of the Related Bond Trustee as assignee of the issuer of the Related Bonds. Any Obligation issued hereunder may, so long as any liens created in connection therewith constitute Permitted Liens, be secured by additional security. Such security need not extend to any other Indebtedness (including any other Obligations).

Section 2.02. ***Fully Registered Form.***

All Obligations shall be payable to the Holder thereof and shall be transferable on the Obligation Register solely as provided in *Section 2.04*.

Section 2.03. ***Certificate of Authentication.***

Except for the promissory notes or other instruments made by certain Obligated Group Members listed on *Exhibit A* and constituting Obligations hereunder, no promissory note, draft, bond, guaranty, or other obligation shall be entitled to the benefits of this Master Indenture or be considered Obligations hereunder, unless a certificate of authentication substantially in the form set forth in this Section shall be reproduced thereon and shall be executed by the Master Trustee or the Authenticating Agent therefor by a signature manually, mechanically, photographically or electronically reproduced on the Obligation. Such certificate shall be conclusive evidence, and the only evidence, that such promissory note, draft, bond, guaranty or other obligation has been duly authenticated hereunder and that the Obligation it evidences is entitled to the benefits hereof. The form of such certificate of authentication shall be substantially as follows:

CERTIFICATE OF AUTHENTICATION

This instrument *[is/evidences]* an Obligation as defined in and subject to the Master Trust Indenture *[described therein/(Second Amended and Restated), dated as of May 1, 1995 and amended and restated as of February 1, 2025, between St. Luke's Health System, Ltd. and [Name of Master Trustee], as master trustee,]* and is registered in the Obligation Register therefor as No. _____.

[Name of Authenticating Agent], *as Authenticating Agent*	*-or-*	*[Name of Master Trustee],* *as Master Trustee*
By_____ Authorized Signature		By_____ Authorized Signature

Section 2.04. ***Registration, Transfer, and Exchange of Obligations.***

The Obligated Group Representative shall cause to be kept at the Corporate Trust Office of the Master Trustee a register (herein referred to as the "***Obligation Register***") in which, subject

to such reasonable regulations as the Obligated Group Representative and the Master Trustee may prescribe, the Obligated Group Representative shall provide for the registration and transfer of Obligations as herein provided. The Master Trustee is hereby appointed "***Obligation Registrar***" for the purpose of registering the Obligations and transfers of Obligations as herein provided. The Obligation Register may be inspected and copied by any Member of the Credit Group, the Holder of any Obligation, or the authorized representative thereof, *provided* that the ownership by such Holder and the authority of any such designated representative shall be evidenced to the reasonable satisfaction of the Master Trustee; *provided, however*, that the Master Trustee shall have no obligation or duty to verify the authenticity or accuracy of any such evidence presented to the Master Trustee.

Upon surrender for transfer of any evidence of an Obligation at the Corporate Trust Office of the Master Trustee, the Obligated Group Representative or the Obligated Group Member which issued, created, assumed, or guaranteed such Obligation or Indebtedness shall execute, and the Master Trustee (or Authenticating Agent, as and if applicable) shall authenticate, number (with a number not contemporaneously outstanding on the Obligation Register), and deliver, in the name of the designated transferee or transferees, one or more new evidences of such Obligation authorized under the instrument by which such Obligation is authorized. As a condition to the transfer of any Obligation, the Holder shall provide or cause to be provided to the Master Trustee all information necessary to allow the Master Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Master Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

At the option of the Holder thereof, any evidence of an Obligation may be exchanged for one or more new evidences of such Obligation to the extent so authorized under the instrument by which such Obligation is authorized, upon surrender of such evidence of an Obligation to be exchanged at the Corporate Trust Office of the Master Trustee. Whenever any such evidence of an Obligation is so to be surrendered for exchange, the Obligated Group Representative or the Obligated Group Member which issued, created, assumed, or guaranteed such Obligation or Indebtedness shall execute, and the Master Trustee (or Authenticating Agent, as and if applicable) shall authenticate, number (with a number not contemporaneously outstanding on the Obligation Register), and deliver, one or more evidences of such Obligation authorized under the instrument by which such Obligation is authorized.

The Master Trustee shall promptly cancel all evidence of an Obligation surrendered upon any such exchange or transfer and thereafter shall maintain such evidence and thereafter shall dispose of such evidence on Order of the Obligated Group Representative.

All evidence of an Obligation issued upon any such transfer or exchange shall evidence the same Obligation as that surrendered for transfer or exchange and be a valid obligation of each Obligated Group Member, and such Obligation shall be entitled to the same benefits under this Master Indenture as the Obligation surrendered upon such transfer or exchange.

Every evidence of an Obligation presented or surrendered for transfer or exchange shall (if so required by the Obligated Group Representative or the Obligation Registrar) be duly endorsed,

or be accompanied by written instrument of transfer in form satisfactory to the Obligation Registrar duly executed, by the Holder thereof or an attorney for such Holder duly authorized in writing.

No service charge shall be made for any transfer or exchange of evidence of an Obligation, but the Obligated Group Representative or the Obligated Group Member, as the case may be, which created, assumed or guaranteed such Indebtedness, or the Master Trustee, shall be paid a sum equal to any tax or other governmental charge or fees that may be imposed in connection with any transfer or exchange thereof.

Upon the effectiveness of any supplement, modification, amendment or restatement of this Master Indenture, new evidences of Obligations so modified as to conform to any such supplement, modification, amendment or restatement may be prepared by the Obligated Group Representative, at its expense. Upon delivery to the Master Trustee of (i) such new evidences of Obligations executed by the Obligated Group Representative or such issuing Obligated Group Member, (ii) a Request by the Obligated Group Representative to authenticate such new evidences of Obligations, and (iii) an Opinion of Counsel to the effect that (A) all conditions precedent provided for in this Master Indenture relating to the authentication and delivery of such new evidences of Obligations hereunder have been complied with, and (B) subject to customary exceptions, such new evidences of Obligations are the legal, valid, and binding obligations of the Obligated Group Representative or such issuing Obligated Group Member enforceable in accordance with their terms and entitled to the benefits of this Master Indenture, the Master Trustee shall authenticate such new evidences of Obligations and the existing evidences of Obligations shall be exchanged for such new evidences of Obligations by the holders thereof at the Corporate Trust Office of the Master Trustee, without cost to any such holder.

Section 2.05. ***Mutilated, Destroyed, Lost, and Stolen Evidence of Obligations.***

If (i) any mutilated evidence of an Obligation is surrendered to the Master Trustee, (ii) the Obligated Group Representative, the Master Trustee and the Obligated Group Member that issued, created, assumed, or guaranteed such Obligation (if different than the Obligated Group Representative) have each received evidence to its satisfaction of the destruction, loss, or theft of any evidence thereof, and (iii) there is delivered to the Master Trustee such satisfactory security or indemnity as may be required by the Master Trustee and the Obligated Group Representative to save each of the Master Trustee and the Obligated Group Members harmless, then, in the absence of notice to the Master Trustee, the Obligated Group Representative or the Obligated Group Member that issued, created, assumed, or guaranteed such Obligation (if different than the Obligated Group Representative) that such Obligation has been acquired by a *bona fide* purchaser, the Obligated Group Representative shall execute, and upon its Request the Master Trustee (or Authenticating Agent, as and if applicable) shall authenticate and deliver, in exchange for or in lieu of such mutilated, destroyed, lost, or stolen evidence of such Obligation, new evidence of such Obligation authorized under the instrument by which such Obligation is authorized, and bearing a registration number not contemporaneously outstanding. The Master Trustee may charge the holder of such Obligation with the Master Trustee's reasonable costs, fees and expenses in connection with this Section.

In case any such mutilated, destroyed, lost, or stolen evidence of an Obligation has become or is about to become due and payable, the Obligated Group Representative in its discretion may,

instead of issuing new evidence of such Obligation pursuant to this Section, pay such Obligation when due.

Every new evidence of an Obligation authenticated and delivered pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen evidence of such Obligation shall be entitled to all the benefits of this Master Indenture, equally and ratably with all other Outstanding Obligations, except as otherwise provided herein.

Section 2.06. ***Persons Deemed Owners.***

The Master Trustee, the Obligated Group Representative, any Member of the Credit Group, and any agent of any of them may treat the Person in whose name any Obligation is registered as the owner of such Obligation for all purposes whatsoever, except as otherwise provided in *Section 1.15*, and, to the extent permitted by law, none of such Persons shall be affected by notice to the contrary.

* * *

ARTICLE III
COVENANTS

Section 3.01. ***To Pay Obligations; Other Agreements.***

All Obligations issued pursuant to this Master Indenture shall be joint and several general obligations of each Member of the Obligated Group, and each Member of the Obligated Group jointly and severally covenants to timely pay (i) all principal of (and premium, if any) and interest and other debt service charges and payment obligations on the Outstanding Obligations, and (ii) all charges, fees and expenses provided for under this Master Indenture related to such Obligations in accordance with the terms thereof; *provided*, *however*, that such joint and several payment obligation shall be discharged upon the release of any such Person as an Obligated Group Member hereunder or by payment and performance as herein provided. Each Obligated Group Member further agrees to faithfully observe and perform all of the conditions, covenants and requirements of this Master Indenture, any Supplements and any Obligations. Each Obligated Group Member acknowledges that the time of such payment and performance is of the essence of the obligations hereunder. Notwithstanding any provision herein to the contrary, no Obligated Group Member shall be liable for or required to pay, and neither the Master Trustee nor any Holder of an Obligation shall be entitled to collect, any amount that (1) would be interest on any Obligation and (2) would, when aggregated with all other interest payments made by such Obligated Group Member on such Obligation, exceed the maximum amount of interest which could be paid at the applicable lawful rate of non-usurious interest under applicable law. In determining the maximum amount of interest that the Holders of the Obligations may lawfully contract for, charge, receive or reserve, all interest at any time paid or received hereunder, or contracted for or received in connection herewith, shall be spread, allocated and amortized over the actual term of the Obligations so as to produce a lawful rate and amount of interest, to the full extent permitted by applicable law.

Each Obligated Group Member further agrees (i) to observe, perform and discharge, (ii) to cause each of the other Members of the Credit Group within its control to observe, perform and discharge, and (iii) to be caused to be observed, performed and discharged, all the applicable covenants, conditions, and obligations which are imposed on it or them by any and all mortgages, indentures, direct purchase agreements, reimbursement agreements, liquidity facilities, credit facilities, and other agreements evidencing, securing, or related to the Obligations or pursuant to which such Obligations are issued.

Section 3.02. ***To Maintain Properties.***

Each Obligated Group Member will cause all its properties used or useful in the conduct of its business to be maintained and kept in good condition, repair, and working order, ordinary wear and tear and obsolescence excepted, and supplied with all necessary equipment. Each Obligated Group Member will cause to be made all necessary repairs, renewals, replacements, betterments, and improvements thereof, all as in the judgment of such Obligated Group Member may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; *provided*, *however*, that nothing in this Section shall prevent any Obligated Group Member from discontinuing the operation and maintenance of any

of its properties if such discontinuance is, in the judgment of such Person, desirable in the conduct of its business and not disadvantageous in any material respect to the Holders of the Obligations.

Section 3.03. ***To Insure.***

Each Obligated Group Member will at all times keep (and cause each Designated Affiliate within its control to keep) all its property and operations of an insurable nature and of the character usually insured by companies operating similar properties and engaged in similar operations insured in amounts customarily carried, and against loss or damage from such causes as are customarily insured against, by similar companies. All such insurance shall be effected with responsible insurance carriers, including captive insurers, except to the extent a program of self-insurance determined by such Obligated Group Member to be sufficient shall be in effect.

Each Obligated Group Member shall use proceeds of insurance received on account of any of its properties and compensation for any of its properties taken by eminent domain as it deems appropriate in light of its corporate purposes, as the same may be amended from time to time.

Section 3.04. ***To Maintain Corporate Existence.***

Subject to *Article VIII*, each Obligated Group Member will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory), and franchises; *provided, however*, that no such Person shall be required to preserve any right or franchise if it shall determine that the preservation thereof is no longer desirable in the conduct of its business.

Section 3.05. ***Limitations on Liens.***

No Obligated Group Member will grant, create, assume, or incur or suffer to be granted, created, assumed, or incurred or to exist any mortgage, lien, charge, or encumbrance of any kind upon, or pledge of or security interest in, any Property of such Person, whether owned at the date hereof or hereafter acquired, except for Permitted Liens.

Section 3.06. ***Limitations on Incurrence of Indebtedness.***

A. ***Limitations on Indebtedness***. No Obligated Group Member shall incur, create, assume, guarantee, or otherwise become liable in respect of any Indebtedness except (i) as permitted by the provisions of this Section, (ii) the Indebtedness of the Obligated Group Members existing on the Effective Date, and (iii) the Existing Obligations.

B. ***Permitted Debt***. Any Obligated Group Member may incur, create, assume, guarantee, or otherwise become liable in respect of Indebtedness described in any one or more of the following Clauses of this Subsection:

(1) ***Short-Term, Non-Recourse, Subordinated and Commitment Indebtedness***: Short-Term Indebtedness, Non-Recourse Indebtedness, Subordinated Indebtedness, and Commitment Indebtedness without limitation;

(2) ***Long-Term Indebtedness***: Long-Term Indebtedness if the Obligated Group Representative delivers to the Master Trustee an Officer's Certificate demonstrating that either:

(i) the Debt Service Coverage Ratio for the immediately preceding Fiscal Year, or for any consecutive 12-month period ending within 180 days prior to the date of the creation, incurrence, assumption, or guarantee of such Indebtedness, is not less than 1.15, computed by taking into account the incurrence of such Long-Term Indebtedness and the application of proceeds thereof, or

(ii) the Projected Debt Service Coverage Ratio for the immediately succeeding Fiscal Year or, in case any substantial (as determined by the Obligated Group Representative) construction project of any Member is financed with such Long-Term Indebtedness or is then in progress, then at the election of the Obligated Group Representative for the Fiscal Year immediately succeeding the anticipated date of completion of such construction project, will not be less than 1.15, computed in either case by taking into account the incurrence of such Long-Term Indebtedness and the application of the proceeds thereof;

(3) ***Completion Indebtedness***: Indebtedness for the purpose of financing the completion of constructing, renovating, or equipping facilities for which Indebtedness has previously been incurred, created, assumed, or guaranteed in accordance with the provisions hereof, if the Obligated Group Representative delivers to the Master Trustee an Officer's Certificate (i) stating that the amount of such Indebtedness does not exceed the amount necessary to provide a completed and equipped facility of the type and scope contemplated at the time that such prior Indebtedness was originally incurred, created, assumed, or guaranteed and that such prior Indebtedness was estimated when incurred, created, assumed, or guaranteed to be sufficient to provide such a completed and equipped facility, and (ii) demonstrating that the Maximum Debt Service Requirement immediately subsequent to the incurrence, creation, assumption, or guarantee of such Indebtedness will not exceed 110% of the Maximum Debt Service Requirement determined immediately prior to the incurrence, creation, assumption, or guarantee of such Indebtedness;

(4) ***Refunding Indebtedness***: Indebtedness incurred, created, assumed, or guaranteed for the purpose of refunding, refinancing or defeasing any Outstanding Indebtedness if the Obligated Group Representative delivers to the Master Trustee an Officer's Certificate demonstrating that the Maximum Debt Service Requirement immediately subsequent to the incurrence, creation, assumption, or guarantee of such refunding, refinancing or defeasing Indebtedness will not exceed 110% of the Maximum Debt Service Requirement determined immediately prior to the incurrence, creation, assumption, or guarantee of such refunding, refinancing or defeasing Indebtedness;

(5) ***Factoring Indebtedness***: Long-Term Indebtedness incurred, created, assumed, or guaranteed in accordance with and as permitted by *Section 3.05*, and as particularly described in *Clause (20)* of the definition of "*Permitted Liens*" in *Section 1.01*;

(6) ***Intercompany Indebtedness***: Long-Term Indebtedness owing from an Obligated Group Member to any other Member of the Credit Group;

(7) ***Insurance Related Indebtedness***: Long-Term Indebtedness in the form of a guarantee or confirmation of liability of an Obligated Group Member incurred, created, assumed, or guaranteed, directly or indirectly, with respect to a self-insurance or captive insurance program benefiting any Member of the Credit Group;

(8) ***De Minimis Indebtedness***: any Long-Term Indebtedness if the aggregate principal amount thereof at the time it is incurred, created, assumed, or guaranteed is less than $10,000,000; and

(9) ***Basket Indebtedness***: Any Long-Term Indebtedness if the aggregate principal amount thereof, and of all other Long-Term Indebtedness incurred, created, assumed, or guaranteed by all Obligated Group Members pursuant to this *Clause (9)* and which is then Outstanding, does not exceed (i) 20% of the Value of all Property of the System or of the Credit Group, or (ii) 20% of the Income Available for Debt Service of the System or of the Credit Group, at the option of the Obligated Group Representative and if permitted by *Section 1.06*, as reflected in the Financial Statements for the immediately preceding Fiscal Year.

Notwithstanding *Clause (E)* of the definition of "*Debt Service Requirement*" in *Section 1.01*, for the purpose of incurring Indebtedness under this Section that is a Guaranty under *Clause (iii)* of the definition of "*Indebtedness*" in *Section 1.01*, the full amount of the principal of (and premium, if any) and interest and other debt service charges of such Guaranty shall be taken into account.

For purposes of this Section, (i) the conversion of Indebtedness from one type of interest rate mode to another type of interest rate mode pursuant to the terms of the documents providing for the issuance of such Indebtedness shall not be considered to be incurrence, creation, assumption, or guarantee of Indebtedness, (ii) no additional Indebtedness shall be deemed to arise when any funding occurs under any Commitment Indebtedness or any Commitment Indebtedness is renewed upon terms, in the judgment of the Obligated Group Representative, which provide for substantially the same terms of repayment of amounts disbursed pursuant to such commitment as obtained prior to such renewal, (iii) no additional Indebtedness shall be deemed to arise when any advance, draw or funding occurs under any revolving credit agreement, line of credit, letter of credit, liquidity facility, or similar agreement or facility that was previously incurred pursuant to any Clause of *Subsection B* of this Section in an available or maximum amount equal to or greater than such advance, draw or funding, and (iv) for the purposes of meeting the tests set forth in this Section, any Indebtedness that will no longer be Outstanding on the proposed issuance date of the Indebtedness then to be incurred shall be excluded from the calculations required by such tests.

Indebtedness incurred pursuant to any Clause of *Subsection B* of this Section may be reclassified as Indebtedness incurred, created, assumed, or guaranteed pursuant to any other Clause of *Subsection B* of this Section if the tests set forth in the Clause to which such Indebtedness is to be reclassified are met at the time of such reclassification.

Each Officer's Certificate required to be furnished under this Section shall include a statement to the effect that no Event of Default then exists under this Master Indenture, and that upon issuance of the additional Indebtedness described in such Officer's Certificate no Event of Default will exist under this Master Indenture; *provided, however*, that such statement in an Officer's Certificate is not required to be delivered in connection with the issuance of additional Indebtedness which is issued to refund any Indebtedness theretofore issued and then Outstanding if the Obligated Group Representative has delivered an Officer's Certificate of the Obligated Group Representative (which is accompanied by an Opinion of Counsel as to any conclusions of law supporting such Officer's Certificate) that any existing Event of Default under this Master Indenture will be cured by such refunding.

Section 3.07. ***To Maintain Rates.***

A. Each Obligated Group Member shall (and shall cause each 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 for each Fiscal Year ending on and after September 30, 2025, is not less than 1.10. If in any Fiscal Year the Debt Service Coverage Ratio is less than 1.10, the Obligated Group Representative shall engage a Consultant within 180 days after the close of such Fiscal Year to make, and each Member of the Credit 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 Credit Group such that the Debt Service Coverage Ratio for the then current Fiscal Year will be at least 1.10, subject to *Subsection 3.07.B*. Notwithstanding the foregoing, if (i) the Credit Group had no less than 150 Days Cash on Hand as of such Fiscal Year end, established by an Officer's Certificate of the Obligated Group Representative as provided in *Section 1.06.A* hereof, or (ii) such failure to maintain a Debt Service Coverage Ratio of 1.10 is a direct or indirect result of a Force Majeure Event, as determined in the sole discretion of the Obligated Group Representative, then the Obligated Group Representative shall not be required to retain a Consultant for the purposes described in this Section; *provided* that if such failure is a direct or indirect result of a Force Majeure Event, then the Obligated Group Representative shall deliver an Officer's Certificate to the Master Trustee stating the nature of the Force Majeure Event and describing the steps the Credit Group is taking with respect to the rates, fees, and charges or expenses of the Credit Group and the Credit Group's methods of operation and other factors affecting its financial condition in order to improve the Debt Service Coverage Ratio for the then current Fiscal Year.

B. If, in the opinion of the Consultant (a copy of which shall be delivered to the Master Trustee by the Obligated Group Representative promptly after the Obligated Group Representative's receipt of such opinion, and in any event within 30 days after its availability), the Credit Group is precluded from implementing the changes necessary to produce a Debt Service Coverage Ratio for the then current Fiscal Year of at least 1.10 by Governmental Restrictions, then the Consultant will make, and each Member of the Credit Group shall implement, recommended changes in the rates, fees, and charges or expenses or in such other affairs of each Member of the Credit Group such that the Consolidated Income Available for Debt Service as reflected in the applicable Financial Statements for the then current Fiscal Year will be the maximum amount permitted under such then existing laws, regulations, changes and requirements.

C. The failure to maintain the Debt Service Coverage Ratio described in *Subsection 3.07.A* above shall not be deemed a Default or an Event of Default under this Master Indenture if either (i) the Obligated Group Representative complies with its obligations set forth in such Subsection or *Subsection 3.07.B*, as applicable, to engage a Consultant and the Members of the Credit Group comply with their obligations set forth in such Subsections to implement, to the extent required by such Subsections, changes recommended by such Consultant, or (ii) the Obligated Group Representative is not required to retain a Consultant and complies with its obligation to deliver an Officer's Certificate to the Master Trustee (a) demonstrating the Credit Group had no less than 150 Days Cash on Hand as of such Fiscal Year end, or (b) stating the nature of the Force Majeure Event and describing the steps the Credit Group is taking with respect to the rates, fees, and charges or expenses of the Credit Group and the Credit Group's methods of operation and other factors affecting its financial condition in order to improve the Debt Service Coverage Ratio for the then current Fiscal Year. The Master Trustee has no duty or obligation to monitor the Obligated Group Representative's or any Member of the Credit Group's compliance with the recommendations of the Consultant or steps the Credit Group is taking with respect to the rates, fees, and charges or expenses of the Credit Group and the Credit Group's methods of operation and other factors affecting its financial condition in order to improve the Debt Service Coverage Ratio for the then current Fiscal Year.

D. Notwithstanding the foregoing, if (i) the Debt Service Coverage Ratio for any two consecutive Fiscal Years (excluding any Fiscal Year ending prior to September 30, 2025) is less than 1.00, and (ii) the Credit Group has less than 150 Days Cash on Hand as of the end of such second consecutive Fiscal Year, it shall constitute an Event of Default under this Master Indenture.

Section 3.08. ***Limitations on Disposition of Property.***

Except as permitted by *Section 7.03* and *Article VIII*, no Obligated Group Member shall convey, transfer, lease, or otherwise dispose of any Property (including, without limitation, cash and other intangible property) of such Obligated Group Member, *unless*:

(1) ***Ordinary Course of Business***: such conveyance, transfer, lease, or disposition is in the ordinary course of business, including without limitation (i) payments made pursuant to contracts, leases or other agreements entered into in the ordinary course of business, (ii) the purchase of securities and the making of investments in the ordinary course of business, and (iii) payments on Indebtedness permitted to be incurred hereunder; or

(2) ***Intercompany Transfers***: such conveyance, transfer, lease, or disposition is to another Obligated Group Member or a Member of the Credit Group; or

(3) ***Obsolete, Etc. Property***: in the judgment of the Obligated Group Representative or the Obligated Group Member making such conveyance, transfer, lease, or disposition, such Property is (or within the immediately succeeding 24 months is expected to become) inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable, or unnecessary in the conduct of the businesses of such Obligated Group Member; or

(4) ***Fair Consideration***: such conveyance, transfer, lease, or disposition is for consideration which shall be not less than the fair value of the Property or interest therein so conveyed, transferred, leased, or disposed of, as determined by the Obligated Group Representative or the Obligated Group Member making such conveyance, transfer, lease, or disposition; or

(5) ***Accounts Receivable***: such conveyance, transfer, or disposition is of accounts receivable, with or without recourse, and in any Fiscal Year the aggregate amount of accounts receivable conveyed, transferred, or disposed of pursuant to this *Clause (5)* and calculated using their discounted value determined in accordance with normal business practices, if applicable, does not exceed 30% of the accounts receivable of the Credit Group or the System, at the option of the Obligated Group Representative and if permitted by *Section 1.06*, as shown on the most recently available Financial Statements at the time of such conveyance, transfer, or disposition, and if such Obligated Group Member shall receive as consideration for such conveyance, transfer, or disposition cash, services or Property deemed fair and adequate as determined by the Obligated Group Representative or the Obligated Group Member making such conveyance, transfer, or disposition; or

(6) ***Loans***: such conveyance, transfer, or disposition represents a loan made by an Obligated Group Member, bears interest at a reasonable rate, and there is a reasonable expectation of repayment, each as determined by the Obligated Group Representative or the Obligated Group Member making such loan; or

(7) ***Governmental Action***: such conveyance, transfer, lease, or disposition is in connection with any proposed or potential condemnation or taking for public or quasi-public use of the Property or any portion thereof; or

(8) ***Court or Governmental Order***: such conveyance, transfer, lease, or disposition is required by or necessary to comply with the terms of any judgment, decree, or order of any court or any order, rule, or regulation of or settlement with any administrative or governmental body; or

(9) ***Restricted Property***: the use of such Property is legally restricted to one or more purposes that are inconsistent with the use of such Property, or the profits therefrom or proceeds thereof, to pay Obligations; or

(10) ***Cash and Investments***: such conveyance, transfer, or disposition is of Unrestricted Cash and Investments, and both (i) the aggregate amount of all Unrestricted Cash and Investments conveyed, transferred, or disposed of by all Obligated Group Members pursuant to this *Clause (10)* in the same Fiscal Year does not exceed, at the option of the Obligated Group Representative and if permitted by *Section 1.06*, either (a) 25% of the Unrestricted Cash and Investments of the System as reflected in the System Financial Statements for the most recent Fiscal Year, or (b) 25% of the Unrestricted Cash and Investments of the Credit Group as reflected in the Credit Group Financial Statements for the most recent Fiscal Year, and (ii) taking such conveyance, transfer, or disposition into account, the System or the Credit Group, at the option of the Obligated Group

Representative and if permitted by *Section 1.06*, would have had at least 60 Days Cash on Hand as of the last day of the immediately prior Fiscal Year; or

(11) ***Compliance with Transaction Test***: the Transaction Test will be met after giving effect to such conveyance, transfer, lease, or disposition; or

(12) ***Insubstantial Transfers***: the aggregate Value of all such Property conveyed, transferred, leased, or disposed of by all Obligated Group Members pursuant to this *Clause (12)* in the same Fiscal Year does not exceed, at the option of the Obligated Group Representative and if permitted by *Section 1.06*, either (i) 10% of the Value of all Property of the System as reflected in the System Financial Statements for the most recent Fiscal Year, or (ii) 10% of the Value of all Property of the Credit Group as reflected in the Credit Group Financial Statements for the most recent Fiscal Year.

Section 3.09. ***To Keep Books; Financial Reports; Inspection by Master Trustee.***

A. Each Member of the Credit Group shall keep or cause to be kept on its behalf, and shall cause each entity whose financial information is reflected in its Financial Statements to keep, at all times, books of record and accounts in accordance with generally accepted accounting principles as of the date thereof *except* (i) any such Person may provide for depreciation on the basis of historical cost adjusted for the effect of changes in the purchasing power of the dollar, or (ii) as may be disclosed in the notes to the Financial Statements to which reference is made in *Subsection B* below.

B. The Obligated Group Representative shall furnish to the Master Trustee as soon as available, and in any event within 150 days after the end of each Fiscal Year commencing with the Fiscal Year ending September 30, 2025, Financial Statements showing the results of operations of the System or the Credit Group, as applicable. Any Person whose financial information is reflected or reported in the Financial Statements of another Person need not submit separate financial statements pursuant to this Section. Such financial statements:

(i) may consist, at the option of the Obligated Group Representative, of (1) System Financial Statements, or (2) Credit Group Financial Statements;

(ii) shall be audited (or, in the case of Credit Group Financial Statements that are contained in System Financial Statements, the System Financial Statements shall be audited) by an independent certified public accountant and contain such independent certified public accountant's report thereon, which report shall include an unmodified opinion to the effect that the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the audited Person in conformity with generally accepted accounting principles as of the date thereof (except, in the case of special purpose financial statements, for required consolidations or combinations) for such period; and

(iii) shall contain such statements necessary for a fair presentation of unrestricted net assets or net worth, results of operations and changes in unrestricted net assets or net worth and financial position as at the end of such reporting period, all stated in accordance with generally accepted accounting principles as of the date thereof

consistently applied (except, in the case of special purpose financial statements, for required consolidations or combinations).

C. The Master Trustee shall have no duty to review any such Financial Statements, is not considered to have notice of the content of such Financial Statements or a Default or Event of Default based on such Financial Statements (other than due to a failure to timely furnish the same to the Master Trustee), and the Master Trustee does not have a duty to verify the accuracy of such Financial Statements.

D. At any and all times, upon the written request of the Master Trustee (who shall be under no duty to make such request unless directed to do so by the Holders of at least a majority in Aggregate Principal Amount of the Outstanding Obligations) and upon reasonable notice, each Member of the Credit Group will permit the Master Trustee, by its agents and attorneys, to inspect the properties of any such Member of the Credit Group, or any of its consolidated or combined subsidiaries and Affiliates, and to examine all the books of account, records, reports, and other financial papers of such Persons and to make copies and take extracts therefrom, and will afford and procure a reasonable opportunity to make any such inspection and examination during regular business hours, and will furnish the Master Trustee any and all such other information as the Master Trustee may reasonably request with respect to the performance or observance by such Persons of their covenants in this Master Indenture; *provided*, *however*, that such right of inspection and examination and to information shall specifically exclude donor, patient, personnel, medical staff, medical staff committee, and other records, reports, or information the confidentiality of which may be protected by law.

E. The Obligated Group Representative may designate a different Fiscal Year for the Members of the Credit Group or for the System by delivering a notice to the Master Trustee designating the first and last day of such new Fiscal Year and whether or not there will be any interim fiscal period (the "***Interim Period***") of a duration of greater than or less than 12 months preceding such new Fiscal Year. The Obligated Group Representative covenants that it will furnish to the Master Trustee, as soon as practicable after it is available, but in no event more than 150 days after the last day of such Interim Period, a financial report for such Interim Period certified by an independent certified public accountant selected by the Obligated Group Representative covering the operations of the Credit Group or the System, at the discretion of the Obligated Group Representative, for such Interim Period and containing a consolidated or combined balance sheet as of the end of such Interim Period, a consolidated or combined statement of operations (revenues and expenses) for such Interim Period, and a consolidated or combined statement of changes in net assets as of the end of such Interim Period, to the extent that such consolidated or combined balance sheet, statement of operations, and statement of changes in net assets exist at the time such election is made. To the extent that a consolidated or combined balance sheet, statement of operations, or statement of changes in net assets does not exist at the time such election is made, the Obligated Group Representative shall provide a statement or statements that are, in its judgment, the closest approximation to such statement or statements that are available and that are certified by an independent certified public accountant selected by the Obligated Group Representative.

Section 3.10. ***Statement as to Compliance.***

The Obligated Group Representative shall deliver to the Master Trustee, within 150 days after the end of each Fiscal Year commencing with the Fiscal Year ending September 30, 2025, an Officer's Certificate stating that:

A. ***Review***: a review of the activities of the Obligated Group Members during such year and of performance under this Master Indenture has been made, and

B. ***No Default***: to the best of the signer's knowledge, based on such review, the Credit Group Members have fulfilled all of their respective obligations under this Master Indenture throughout such year, or, if there has been a Default or Event of Default in the fulfillment of any such obligation, specifying each such Default or Event of Default known and the nature and status thereof.

Section 3.11. ***Notices of Default to the Master Trustee.***

Promptly after any officer of an Obligated Group Member obtains actual knowledge of a Default or Event of Default hereunder, such Obligated Group Member shall deliver to the Master Trustee a written notice specifying the nature and period of existence thereof and the action such Obligated Group Member is taking and proposes to take with respect thereto.

Section 3.12. ***Payments by Designated Affiliates.***

Each Designated Affiliate agrees with, and for the benefit of, each Obligated Group Member that controls or governs such Designated Affiliate to:

A. make to such Obligated Group Member contributions, advances or loans the repayment of which is subordinate in time and right to payment of the Outstanding Obligations, to the extent of funds lawfully available for such purpose that are not Restricted Amounts, to the extent necessary to provide for the due and punctual payment of the principal of (and premium, if any) and interest and other debt service charges and payment obligations on all Outstanding Obligations in accordance with the terms hereof; *provided*, *however*, that no Designated Affiliate shall be required to make any transfer that would likely, in the Opinion of Counsel not objected to by such Obligated Group Member, (i) cause the members of the Governing Body of such Designated Affiliate to incur personal liability to other creditors of such Designated Affiliate as a result of such transfer, (ii) render such Designated Affiliate insolvent, (iii) conflict with any applicable statutory provision relating to fraudulent transfers, or (iv) in the case of any transfer by dividend, violate applicable statutory restrictions on the declaration and payment of dividends by such Designated Affiliate; and

B. perform all other covenants and comply with all other restrictions applicable to such Designated Affiliate hereunder.

Section 3.13. ***Warranty of Title.***

Each Obligated Group Member has the requisite right, power, and authority to pledge the properties covered by the *Granting Clauses* hereof and to subject such properties to the lien hereof. This Master Indenture shall be deemed a "*security agreement*" for purposes of the UCC.

The Obligated Group Members shall forever warrant and defend the title to the property described in *Granting Clause First* and *Third* against the claims and demands of all Persons whomsoever, and the Obligated Group Members shall defend any and all rights of the Obligated Group Members in and to the property described in *Granting Clause Second*. No Obligated Group Member shall, *except* as permitted by the *Subject Clauses* to the *Granting Clauses*, create or suffer to exist any lien, other than the liens permitted or imposed by this Master Indenture, upon the Trust Estate or, *except* as herein permitted, take or suffer any other action which would deny or impair the lien of this Master Indenture.

Section 3.14. ***Further Assurances; Recording.***

Each Member of the Credit Group shall execute, acknowledge, and deliver all and every such further act, assignment, financing statement, and assurance as the Master Trustee may require for accomplishing the purposes of this Master Indenture.

The Members of the Credit Group shall cause, to the extent necessary, this instrument and all Supplements and other instruments of further assurance, including all financing statements covering security interests in personal property, to be promptly recorded, registered, and filed, and shall execute and file or cause to be filed such financing statements and continuation statements, all in such manner and in such places as may be required by law (a) fully to preserve and protect the rights of the Holders of Obligations and the Master Trustee hereunder to all property comprising the Trust Estate, and (b) to perfect and maintain the perfection and the applicable priority of any such security interests in all property in which a security interest may be perfected by filing under the UCC.

The Master Trustee shall have no obligation to record, re-record, file or re-file this Master Indenture or any security agreement, financing statements or continuation statements in connection herewith; *provided* that upon written request of the Obligated Group Representative, the Master Trustee shall execute any document necessary to effect the subordination of its security interest in the Trust Estate granted herein as permitted by the *Subject Clauses* to the *Granting Clauses*.

Section 3.15. ***Payment of Taxes.***

The Obligated Group Members shall pay or cause to be paid as they become due and payable all taxes, assessments, and other governmental charges lawfully levied or assessed or imposed upon the Trust Estate or any part thereof, upon any income therefrom, or upon any other real or personal properties of the Obligated Group Members, and also (to the extent that such payment will not be contrary to any applicable laws) all taxes, assessments, and other governmental charges lawfully levied, assessed, or imposed upon the lien or interest of the Master Trustee or of the Holders of Obligations in the Trust Estate, so that (to the extent aforesaid) the lien of this Master Indenture shall at all times be wholly preserved at the cost of the Obligated Group Members and without expense to the Master Trustee or the Holders of Obligations;

provided, *however*, that no Obligated Group Member shall be required to pay and discharge or cause to be paid and discharged any such tax, assessment, governmental charge or levy to the extent that the amount, applicability, or validity thereof shall currently be contested in good faith by appropriate proceedings and such Person shall have established and shall maintain adequate reserves on its books for the payment of the same.

Section 3.16. ***Advances by Master Trustee.***

If any Obligated Group Member shall fail to perform any of its covenants in this Master Indenture, the Master Trustee may, but shall not be obligated to, at any time and from time to time, make advances to effect performance of any such covenant on behalf of such Person, and all money so advanced by the Master Trustee shall be repaid by the Obligated Group Members, upon demand; *provided* that no such advance shall relieve any Person from any Default or Event of Default hereunder.

Section 3.17. ***Waiver of Certain Covenants.***

Any Member of the Credit Group may omit in any particular instance to comply with any covenant or condition set forth in this Article, except *Section 3.01*, if before or after the time for such compliance the Holders of the same percentage in Aggregate Principal Amount of all Obligations then Outstanding the consent of which would be required to amend this Master Indenture to permit such noncompliance shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such covenant or condition.

* * *

ARTICLE IV
EVENTS OF DEFAULT AND REMEDIES

Section 4.01. ***Events of Default.***

"***Event of Default***," wherever used herein, means any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, or order of any court or any order, rule, or regulation of any administrative or governmental body, except as otherwise provided in the last paragraph of this Section):

A. ***Interest Default***: default in the payment of any interest or similar debt service charges upon any Obligation when such interest or similar debt service charges become due and payable and following the expiration of the applicable period of grace therefor, if any, therein provided; or

B. ***Principal Default***: default in the payment of the principal of (or premium, if any) or similar debt service charges or other payment obligation on any Obligation at its Maturity and following the expiration of the applicable period of grace therefor, if any, therein provided; or

C. ***Covenant Default***: default in the performance, or breach, of any covenant or warranty of any Member of the Credit Group in this Master Indenture (other than a covenant or warranty a default in the performance or breach of which is elsewhere in this Section specifically dealt with and except as provided in *Section 3.07*), and continuance of such default or breach for a period of 60 days after there has been given, by overnight delivery or by registered or certified mail, to the Obligated Group Representative by the Master Trustee, or by the Holders of at least a majority in Aggregate Principal Amount of the Outstanding Obligations with a copy to the Master Trustee, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "*Notice of Default*" hereunder; *provided, however,* that if the default or breach stated in such notice cannot be corrected within such 60-day period, but can be reasonably expected to be corrected with due diligence, it shall not constitute an Event of Default after such 60-day period if corrective action is instituted by the Member of the Credit Group which is in default or any other Member of the Credit Group within such 60-day period and diligently pursued until such default or breach is corrected; or

D. ***Involuntary Bankruptcy Proceeding***: either (1) the filing of a petition for relief against any Obligated Group Member or Designated Affiliate the assets of which exceed 10% of the assets of the Credit Group determined on a consolidated or combined basis after eliminating intercompany items in accordance with generally accepted accounting principles, under the United States Bankruptcy Code, as now or hereafter constituted, or any other applicable federal or state law of similar import, or (2) the entry of a decree or order by a court having jurisdiction in the premises appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for any such Person or any substantial part of the properties of any such Person or ordering the winding up or liquidation of the affairs of any such Person, and in case of either *Clause (1)*

or *(2)* the continuance of any such proceeding undismissed or any such decree or order unstayed and in effect for a period of 180 consecutive days; or

E. ***Voluntary Bankruptcy Proceeding***: the commencement by any Obligated Group Member or Designated Affiliate the assets of which exceed 10% of the assets of the Credit Group determined on a consolidated or combined basis after eliminating intercompany items in accordance with generally accepted accounting principles, of a voluntary case under the United States Bankruptcy Code, as now or hereafter constituted, or any other applicable federal or state law of similar import, or the consent or acquiescence by any such Person to the commencement of a case under such United States Bankruptcy Code or law or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of any such Person or any substantial part of the properties of any such Person, or the making by any such Person of an assignment for the benefit of creditors, or the admission by any such Person in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by any such Person in furtherance of any such action; or

F. ***Cross Default***: an event of default, as therein defined, or the declaration of acceleration under any instrument (i) under which an Obligation is created, assumed, or guaranteed, (ii) under which Indebtedness secured by an Obligation (other than the Indebtedness of a Guaranteed Person) is issued, incurred, or secured, or (iii) that governs an event of default on or the acceleration of an Obligation, and in each case (a) the then outstanding principal amount of such Obligation exceeds 3% of the System's Total Revenues and (b) the applicable grace period, if any, has expired; *provided*, *however*, that if any such event of default or declaration of acceleration and its consequences under such instrument shall be cured or waived, then the Event of Default hereunder by reason thereof shall be deemed likewise to have been cured or waived; *provided further* that any early termination of a Financial Hedge that results in payments due thereunder shall not constitute a declaration of acceleration under this *Subsection 4.01.F* unless such early termination is the result of or causes an event of default thereunder; and *provided further*, that such default shall not constitute an Event of Default within the meaning of this *Subsection 4.01.F* if within 60 days, or within the time allowed for service of a responsive pleading if any proceeding to enforce payment of the Indebtedness is commenced, any Obligated Group Member in good faith shall commence proceedings to contest the obligation to pay or the existence of such Indebtedness.

Section 4.02. ***Acceleration of Maturity; Rescission and Annulment.***

Upon the occurrence and during the continuation of an Event of Default that a Responsible Officer of the Master Trustee has received written notice of, the Master Trustee may, and upon the written request of (i) the Holders of not less than a majority in Aggregate Principal Amount of the Outstanding Obligations, or (ii) the Holder of an Obligation or other Person properly exercising an express right given to such Holder or other Person under such Obligation, a Supplement or other document issuing such Obligation to require acceleration of such Obligation, shall, by written notice to the Obligated Group Representative, declare all Outstanding Obligations (in the case of *Clause (i)*) or such Obligation (in the case of *Clause (ii)*) to be immediately due and payable, and upon any such declaration such Obligations shall become and be immediately due and payable,

anything in the Obligations or in any other Section of this Master Indenture to the contrary notwithstanding; *provided, however*, that if the terms of any Supplement or other document issuing Obligations give a Person the right to consent to acceleration of the Obligations issued pursuant to said Supplement or other document, the Obligations issued pursuant to such Supplement or other document may not be accelerated by the Master Trustee unless such consent is properly obtained pursuant to the terms of such Supplement or other document. In the event of an acceleration pursuant to this paragraph, there shall be due and payable on such Obligations an amount equal to the total principal amount of such Obligations, plus all premium, interest and other debt service charges accrued thereon to the date of acceleration and, to the extent permitted by applicable law, which accrues to the date of payment.

At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Obligation has been obtained by the Master Trustee as hereinafter in this Article provided, the Holders of a majority in Aggregate Principal Amount of the Outstanding Obligations (unless such declaration has been made only with respect to a portion of all Outstanding Obligations, in which event only the Holders of a majority in Aggregate Principal Amount of such portion of such Outstanding Obligations) may, by written notice to the Obligated Group Representative and the Master Trustee, rescind and annul such declaration and its consequences *if*:

A. ***Payment of Arrears***: the Obligated Group Representative or the Obligated Group Members have deposited with the Master Trustee a sum sufficient to pay:

(1) all overdue installments of interest and similar debt service charges on all Obligations,

(2) all payment obligations on any Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Obligations,

(3) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Obligations or by law if no provision is made therefor in the Obligations, and

(4) all sums paid or advanced by the Master Trustee hereunder and the reasonable compensation, expenses, disbursements, and advances of the Master Trustee and its agents and counsel; and

B. ***No Event of Default***: all Events of Default, other than the nonpayment of payment obligations on Obligations which have become due solely by such declaration of acceleration, have been cured or waived as provided in *Section 4.14*.

No such rescission and annulment shall affect any subsequent Default or Event of Default or impair any right consequent thereon.

Section 4.03. ***Suits for Enforcement.***

In case an Event of Default shall occur and be continuing, the Master Trustee in its discretion may, subject to the provisions of *Section 4.13*, proceed to protect and enforce its rights and the rights of the Holders of Obligations under this Master Indenture by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Master Indenture or in aid of the execution of any power granted in this Master Indenture or for the enforcement of any other legal, equitable, or other remedy, as the Master Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Master Trustee and the Holders of Obligations.

Section 4.04. ***Covenant to Pay Master Trustee Amounts Due on Obligations and Right of Master Trustee to Judgment.***

Each Obligated Group Member covenants that, if:

A. default is made in the payment of any interest or similar debt service charge on any Obligation when such interest or charge becomes due and payable, or

B. default is made in the payment of the principal of (or premium, if any) or similar debt service charge or other payment obligation on any Obligation at its Maturity,

then upon demand of the Master Trustee, each Obligated Group Member will pay to the Master Trustee for the benefit of the Holders of such Obligations in the aggregate the whole amount then due and payable on such Obligations for principal (and premium, if any) and interest and other debt service charges and payment obligations with interest at the respective rate or rates prescribed therefor in such Obligations on overdue principal (and premium, if any) and, to the extent that payment of such interest is legally enforceable, on overdue installments of interest; and, in addition thereto, such further amount as shall be sufficient to cover the costs, fees, and expenses of collection, including the reasonable compensation, costs, fees, expenses, disbursements, and advances of the Master Trustee and its agents and counsel. If the Obligated Group Members fail to pay such amounts forthwith upon such demand, the Master Trustee, in its own name and as trustee of an express trust, shall be entitled to sue for and recover judgment against the Obligated Group Members, or any of them, for the whole amount so due and unpaid.

Section 4.05. ***Application of Money Collected.***

During the continuance of an Event of Default all moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of this Article, after payment of (i) the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses and advances incurred or made by the Master Trustee with respect thereto, (ii) amounts due the Master Trustee, the Obligation Registrar, and the Authenticating Agent under *Section 5.07*, and (iii) in the sole discretion or the Master Trustee, the payment of the expenses of operating any Members of the Obligated Group, shall be applied as follows:

A. Unless all Outstanding Obligations shall have become or have been declared due and payable:

First: To the payment to the Persons entitled thereto of all installments of interest and other similar debt service charges then due on Obligations in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal installments and premium, if any, of any Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all Obligations due on any date, then to the payment thereof ratably, according to the amounts of principal installments and premium, if any, due on such date, to the Persons entitled thereto, without any discrimination or preference.

B. If all Outstanding Obligations shall have become or have been declared due and payable, to the payment of principal of (and premium, if any) and interest and other debt service charges then due and unpaid upon Obligations without preference or priority of any such payment over any other such payment, or of any Obligation over any other Obligation, ratably, according to the amounts due respectively for principal of (and premium, if any) and interest and other debt service charges, to the Persons entitled thereto without any discrimination or preference.

C. If all Outstanding Obligations shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of *Subsection B* of this Section in the event that all Outstanding Obligations shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of *Subsection A* of this Section.

D. Whenever moneys are to be applied by the Master Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times and from time to time as the Master Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue, the Master Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid Obligation until such Obligation shall be presented to the Master Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

E. Whenever all Obligations have been paid under the provisions of this Section and all expenses and charges of the Master Trustee have been paid, any balance remaining shall be paid to the Person entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to the Members of the Obligated Group, their respective successors, or as a court of competent jurisdiction may direct.

Section 4.06. ***Master Trustee May File Proofs of Claim.***

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceeding relative to any Obligated Group Member, or any other obligor on any Obligation or the property of any Obligated Group Member, or such other obligor or their creditors, the Master Trustee (irrespective of whether the principal of the Obligations shall then be due and payable, as therein expressed or by declaration or otherwise, and irrespective of whether the Master Trustee shall have made any demand on such Obligated Group Member or other obligor for the payment of overdue principal, premium, interest, or other debt service charge or payment obligation) shall be entitled and empowered, by intervention in such proceeding or otherwise:

A. ***To Make Claims***: to file and prove a claim for the whole amount of principal (and premium, if any) and interest and other debt service charges and payment obligations owing and unpaid in respect of the Outstanding Obligations and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Master Trustee (including any claim for the reasonable compensation, expenses, disbursements, and advances of the Master Trustee, its agents and counsel) and of the Holders of Obligations allowed in such judicial proceeding, and

B. ***To Collect Money***: to collect and receive any money or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator, or other similar official in any such judicial proceeding is hereby authorized by each Holder of an Obligation to make such payments to the Master Trustee, and in the event that the Master Trustee shall consent to the making of such payments directly to the Holders of Obligations, to pay to the Master Trustee any amount due to it for the reasonable compensation, expenses, disbursements, and advances of the Master Trustee, its agents and counsel, and any other amounts due the Master Trustee under *Section 5.07*.

Nothing herein contained shall be deemed to authorize the Master Trustee to authorize or consent to or accept or adopt on behalf of any Holder of an Obligation any plan of reorganization, arrangement, adjustment, or composition affecting the Obligations or the rights of any Holder thereof, or to authorize the Master Trustee to vote in respect of the claim of any such Holder in any such proceeding.

Section 4.07. ***Master Trustee May Enforce Claims Without Possession of Obligations.***

All rights of action and claims under this Master Indenture or the Obligations may be prosecuted and enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Master Trustee shall be brought in its own name as trustee of an express trust.

Section 4.08. ***Limitation on Suits.***

No Holder of any Obligation shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Master Indenture, or for the appointment of a receiver or trustee or for any other remedy hereunder, *unless*:

A. ***Notice to Master Trustee***: such Holder has previously given written notice to the Master Trustee of a continuing Event of Default;

B. ***Request of Master Trustee***: the Holders of not less than a majority in Aggregate Principal Amount of the Outstanding Obligations shall have made written request to the Master Trustee to institute proceedings in respect of such Event of Default in its own name as Master Trustee hereunder;

C. ***Offer of Indemnity***: such Holder or Holders have offered to the Master Trustee indemnity reasonably satisfactory to the Master Trustee against the costs, expenses, and liabilities to be incurred in compliance with such request;

D. ***Failure to Proceed***: the Master Trustee for 60 days after the receipt of such notice, request, and offer of indemnity has failed to institute any such proceeding; and

E. ***No Inconsistent Direction***: no direction inconsistent with such written request has been given to the Master Trustee during such 60-day period by the Holders of a majority in Aggregate Principal Amount of the Outstanding Obligations;

it being understood and intended that no one or more Holders of Obligations shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Master Indenture to affect, disturb, or prejudice the rights of any other Holders of Obligations, or to obtain or to seek to obtain priority or preference over any other Holders, or to enforce any right under this Master Indenture, except in the manner herein provided and for the equal and ratable benefit of all Outstanding Obligations and the Holders thereof, and except as otherwise contemplated hereby or provided herein.

Section 4.09. ***Unconditional Right of Holders of Obligations to Receive Payment.***

Notwithstanding any other provision of this Master Indenture, but subject to the provisions of such Obligations and any other instrument under which Obligations may be created, assumed, or guaranteed, the Holder of any Obligation shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and interest and other debt service charges and payment obligations on such Obligation on the respective Maturities and Stated Maturities expressed in such Obligation (or, in the case of redemption, on the date for such redemption) and to institute suit for the enforcement of any such payment, and (in the case of Obligations of any series convertible into other securities) the right to convert such Obligation in accordance with the provisions thereof and of the indenture or other instrument pursuant to which it is issued and to institute suit for its enforcement, and such rights shall not be impaired without the consent of such Holder.

Section 4.10. ***Restoration of Positions.***

If the Master Trustee or any Holder of an Obligation has instituted any proceeding to enforce any right or remedy under this Master Indenture and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Master Trustee or to such Holder, then and in every such case the Obligated Group Representative, the Obligated Group Members, the Designated Affiliates, the Master Trustee, and the Holders of Obligations shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Obligated Group Representative, the Obligated Group Members, the Designated Affiliates, the Master Trustee, and the Holders of Obligations shall continue as though no such proceeding had been instituted.

Section 4.11. ***Rights and Remedies Cumulative.***

No right or remedy herein conferred upon or reserved to the Master Trustee or to the Holders of Obligations is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 4.12. ***Delay or Omission Not Waiver.***

No delay or omission of the Master Trustee or of any Holder of any Obligation to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Master Trustee or to the Holders of Obligations may be exercised from time to time, and as often as may be deemed expedient, by the Master Trustee or by such Holders, as the case may be.

Section 4.13. ***Control by Holders of Obligations.***

The Holders of a majority in Aggregate Principal Amount of the Outstanding Obligations shall have the right, during the continuance of an Event of Default:

A. ***To Require Enforcement***: to require the Master Trustee to proceed to enforce this Master Indenture by judicial proceedings or for the enforcement of the payment of the Obligations or by foreclosure of the lien of this Master Indenture, or by the exercise of the power of sale hereby conferred; and

B. ***To Direct Proceedings***: to direct the time, method, and place of conducting any proceeding for any remedy available to the Master Trustee, or exercising any trust or power conferred upon the Master Trustee hereunder, *provided* that:

(1) such direction shall not be in conflict with any rule of law or this Master Indenture,

(2) the Master Trustee may take any other action deemed proper by the Master Trustee which is not inconsistent with such direction, and

(3) the Master Trustee shall not have determined that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction.

Section 4.14. ***Waiver of Defaults.***

Before any judgment or decree for payment of money due has been obtained by the Master Trustee as provided in this Article, the Holders of not less than a majority in Aggregate Principal Amount of the Outstanding Obligations may, by Act of such Holders delivered to the Master Trustee and the Obligated Group Representative, on behalf of the Holders of all Obligations, waive any Default or Event of Default hereunder and its consequences, *except* a Default or Event of Default:

A. in the payment of the principal of (or premium, if any) or interest or other debt service charges or payment obligations on any Obligations, or

B. in respect of a covenant or provision hereof which under *Article VI* cannot be modified or amended without the consent of the Holders of all Outstanding Obligations affected.

Upon any such waiver, such Default or Event of Default shall cease to exist and shall be deemed to have been cured for every purpose of this Master Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Section 4.15. ***Undertaking for Costs.***

All parties to this Master Indenture (including every Person which has assumed the covenants and warranties of an Obligated Group Member hereunder) agree, and each Holder of any Obligation by its acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Master Indenture, or in any suit against the Master Trustee for any action taken or omitted by it as Master Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorney's fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; *but* the provisions of this Section shall not apply to any suit instituted by the Master Trustee, to any suit instituted by any Holder of an Obligation, or group of such Holders, holding in the aggregate more than a majority in Aggregate Principal Amount of the Outstanding Obligations, or to any suit instituted by any Holder of an Obligation for the enforcement of the payment of the principal of (or premium, if any) or interest or other debt service charges or payment obligations on any Obligation on or after the respective Maturities or Stated Maturities expressed in such Obligation (or, in the case of redemption, on or after the date for redemption).

Section 4.16. ***Remedies Subject to Applicable Law.***

All rights, remedies, and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Master Indenture invalid, unenforceable, or not entitled to be recorded, registered, or filed under the provisions of any applicable law.

Section 4.17. ***Event of Default Not Affecting All Series of Obligations.***

In case an Event of Default affecting the rights of the Holders of Obligations of any one or more series that does not similarly affect the rights of Holders of all other series of Obligations at the time Outstanding shall have occurred and be continuing, then whatever action may or shall be taken under this Article upon the occurrence of such Event of Default by or upon the request of the Holders of a specified percentage in Aggregate Principal Amount of the Outstanding Obligations (including without limitation any declaration that the principal of such Outstanding Obligations is due and payable immediately pursuant to *Section 4.02*) may or shall be taken in respect of the Obligations then Outstanding of the series as to which such Event of Default shall have been made, by or upon the request of the Holders of the same percentage in Aggregate Principal Amount of the Obligations of such series then Outstanding.

In particular, and without limiting the generality of the foregoing, the Master Trustee may, in its sole discretion, determine that an Event of Default caused by the act, omission or failure of one Person affects primarily the rights of the Holders of Obligations issued by such Person and does not similarly affect the rights of Holders of other Obligations.

Section 4.18. ***Powers of Disposition.***

In case an Event of Default shall occur and be continuing, the Master Trustee in its discretion may, *subject* to the provisions of *Section 4.13*, and provided that the Master Trustee shall first be indemnified by the Holders for all relative costs, expenses, fees, liabilities and losses:

A. ***Sell Trust Estate***: sell, subject to any mandatory requirements of applicable law, the Trust Estate as an entirety, or in such portions as the Holders of a majority in Aggregate Principal Amount of the Outstanding Obligations shall in writing request or, in the absence of such request, as the Master Trustee may determine, to the highest bidder at public auction at such place and at such time (which sale may be adjourned by the Master Trustee from time to time in its discretion by announcement at the time and place fixed for such sale, without further notice) and upon such terms as the Master Trustee may fix; or

B. ***Apply Collateral***: as to all or any part of the personal property (tangible or intangible) and fixtures, if any, included in the Trust Estate (such portion of the Trust Estate herein referred to as the "***Collateral***"),

(1) ***Exercise UCC Rights***: proceed under the UCC and exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the UCC, including without limitation the right and power to sell, at public

or private sale or sales, or otherwise dispose of, lease, or utilize, the Collateral and any part or parts thereof in any manner authorized or permitted under the UCC after default by a debtor, and, to the extent permitted by law, the Obligated Group Representative and the Obligated Group Members expressly waive any notice of sale or other disposition of the Collateral and any other rights and remedies of a debtor or formalities prescribed by law relative to sale or disposition of the Collateral or exercise of any other right or remedy of the Master Trustee, as secured party, upon the occurrence and continuance of an Event of Default hereunder, and, to the extent any such notice is required and cannot be waived, the Obligated Group Representative and the Obligated Group Member agree that if such notice is mailed, postage prepaid, to the Obligated Group Representative at its address stated in *Section 1.03* at least five days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of said notice,

(2) ***Take Possession of Collateral***: take possession of the Collateral and enter upon any premises where the same may be situated for such purpose without being deemed guilty of trespass and without liability for damages thereby occasioned and take any action deemed necessary or appropriate or desirable by the Master Trustee, at its option and in its discretion, to repair, refurbish, or otherwise prepare the Collateral for sale, lease, or other use or disposition as herein authorized,

(3) ***Take Possession of Proceeds***: transfer at any time to itself or to its nominee the Collateral, or any part thereof, and receive the money, income, proceeds, or benefits attributable or accruing thereto and hold the same as security for the Outstanding Obligations or apply the same as herein provided, and

(4) ***Require Assembly***: require the Obligated Group Members to assemble the Collateral and make it available to the Master Trustee at a place to be designated by the Master Trustee that is reasonably convenient to all parties.

The filing of a suit to foreclose any lien, mortgage, or security interest hereunder shall never be considered an election so as to preclude foreclosure under any power of sale herein contained after dismissal of such a suit.

Section 4.19. ***Incidents of Sale.***

Upon any sale of any of the Trust Estate, whether made under the power of sale hereby given or pursuant to judicial proceedings, to the extent permitted by law:

A. ***Bidding Obligations***: any Holder or Holders of all Outstanding Obligations or the Master Trustee may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain, and possess and dispose of such property, without further accountability, and may, in paying the purchase money therefor, deliver any Outstanding Obligations or claims for interest thereon in lieu of cash to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon,

and such Obligations, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Holders thereof after being appropriately marked to show partial payment;

B. ***Transfer of Title***: the Master Trustee may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale, and instrument of assignment and transfer of the property sold;

C. ***Power to Transfer***: the Master Trustee is hereby irrevocably appointed the true and lawful attorney of the Obligated Group Representative and the Obligated Group Members, in their name and stead, to make all necessary deeds, bills of sale, and instruments of assignment and transfer of the property thus sold; and for that purpose it may execute all necessary deeds, bills of sale, and instruments of assignment and transfer, and may substitute one or more persons, firms, or corporations with like power, the Obligated Group Representative and the Obligated Group Members hereby ratifying and confirming all that their said attorney or such substitute or substitutes shall lawfully do by virtue hereof; *but* if so requested by the Master Trustee or by any purchaser, the Obligated Group Representative and the Obligated Group Members shall ratify and confirm any such sale or transfer by executing and delivering to the Master Trustee or to such purchaser or purchasers all proper deeds, bills of sale, instruments of assignment and transfer, and releases as may be designated in any such request;

D. ***Perpetual Bar***: all right, title, interest, claim, and demand whatsoever, either at law or in equity or otherwise, of the Obligated Group Representative and the Obligated Group Members of, in, and to the property so sold shall be divested and such sale shall be a perpetual bar both at law and in equity against the Obligated Group Representative and the Obligated Group Members and their successors and assigns, and against any and all persons claiming or who may claim the property sold or any part thereof from, through, or under the Obligated Group Representative and the Obligated Group Members and their successors and assigns; and

E. ***Release of Purchaser***: the receipt of the Master Trustee or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for its or their purchase money and such purchaser or purchasers and its or their assigns or personal representatives shall not, after paying such purchase money and receiving such receipt, be obliged to see to the application of such purchase money, or be in anywise answerable for any loss, misapplication, or non-application thereof.

The Master Trustee shall be entitled to sue and recover judgment as aforesaid either before, after, or during the pendency of any proceedings for the enforcement of the lien of this Master Indenture, and in case of a sale of the Trust Estate and the application of the proceeds of sale as aforesaid, the Master Trustee, in its own name and as trustee of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon the Outstanding Obligations, for the benefit of the Holders thereof, and shall be entitled to recover judgment for any portion of the same remaining unpaid, with interest as aforesaid. No recovery of any such judgment upon any property of the Obligated Group Representative or any Obligated Group Member shall affect or impair the lien of this Master Indenture upon the Trust Estate or any

rights, powers, or remedies of the Master Trustee hereunder, or any rights, powers, or remedies of the Holders of Obligations.

Section 4.20. ***Receiver.***

Upon the occurrence of an Event of Default and commencement of judicial proceedings by the Master Trustee to enforce any right under this Master Indenture, the Master Trustee shall be entitled, as against the Obligated Group Representative and each Obligated Group Member, without notice or demand and without regard to the adequacy of the security for the Obligations or the solvency of the Obligated Group Representative and the Obligated Group Members, to the appointment of a receiver of the Trust Estate, and of the rents, issues, profits, revenues, and other income thereof, if any, but, notwithstanding the appointment of any receiver, the Master Trustee shall be entitled to retain possession and control of, and to collect and receive the income from, cash, securities, and other personal property held by, or required to be deposited or pledged with, the Master Trustee hereunder.

Section 4.21. ***Waiver of Appraisement and Other Laws.***

To the full extent that it may lawfully so agree, neither the Obligated Group Representative nor any Obligated Group Member will at any time insist upon, plead, claim, or take the benefit or advantage of any appraisement, valuation, stay, extension, or redemption law now or hereafter in force in order to prevent or hinder the enforcement of this Master Indenture or the absolute sale of the Trust Estate, or any part thereof, or the possession thereof by any purchaser at any sale under this Article; and the Obligated Group Representative and the Obligated Group Members, for themselves and all who may claim under them, so far as they now or hereafter may lawfully do so, hereby waive the benefit of all such laws. The Obligated Group Representative and the Obligated Group Members, for themselves and all who may claim under them, waive, to the extent that they may lawfully do so, all right to have the property in the Trust Estate marshaled upon any foreclosure hereof, and agree that any court having jurisdiction to foreclose this Master Indenture may order the sale of the Trust Estate as an entirety.

If any law in this Section referred to and now in force, of which the Obligated Group Representative or any Obligated Group Member or its successors might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the application of this Section.

Section 4.22. ***Suits to Protect the Trust Estate.***

The Master Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts that may be unlawful or in violation of this Master Indenture and to protect its interests and the interests of the Holders of Obligations in the Trust Estate and in the rents, issues, profits, revenues, and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule, or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment,

rule, or order would impair the security hereunder or be prejudicial to the interests of the Holders of Obligations or the Master Trustee.

Section 4.23. ***Treatment of Financial Hedge Obligations.***

For Obligations that evidence or secure a Financial Hedge:

A. regularly scheduled or periodic payments owed to a counterparty under a Financial Hedge that is evidenced by or secured as an Obligation shall be treated as payments of interest on such Obligation for purposes of this Article and *Section 3.01*; and

B. termination payments, settlement payments, or other payments not included in *Subsection A* above owed to a counterparty under a Financial Hedge that is evidenced by or secured as an Obligation will be treated as payments of principal on such Obligation for purposes of this Article and *Section 3.01*.

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ARTICLE V
THE MASTER TRUSTEE

Section 5.01. ***Certain Duties and Responsibilities.***

A. ***Prior to Event of Default.*** Except during the continuance of an Event of Default known to the Master Trustee:

(1) ***Limited Undertaking***: the Master Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Master Indenture, and no implied covenants or obligations shall be read into this Master Indenture against the Master Trustee; and

(2) ***Reliance Upon Documents***: the Master Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Master Trustee and conforming to the requirements of this Master Indenture.

B. ***During Event of Default.*** In case an Event of Default known to the Master Trustee has occurred and is continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

C. ***Standard of Care.*** Neither the Master Trustee nor any of its officers, directors, employees, affiliates, or agents shall be liable, directly or indirectly, for any damages or expenses arising out of the services or obligations performed under this Master Indenture or any related document other than for those damages that directly result from the negligence or willful misconduct of it or them, as finally adjudicated by a court of competent jurisdiction, *except* that:

(1) ***Not Liable for Good Faith Judgment***: the Master Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Master Trustee or the Responsible Officer was negligent in ascertaining the pertinent facts;

(2) ***Not Liable for Following Authorized Directions***: the Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Holders of a majority in Aggregate Principal Amount of the Outstanding Obligations relating to the time, method, and place of conducting any proceeding for any remedy available to the Master Trustee, or exercising any trust or power conferred upon the Master Trustee, under this Master Indenture;

(3) ***Not Required to Risk Own Funds***: no provision of this Master Indenture shall require the Master Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers;

(4) ***Not Responsible for Obligations***: the Master Trustee shall have no responsibility or liability for the enforceability of the Outstanding Obligations or the recitals in this Master Indenture or any other related document; and

(5) ***Knowledge of Defaults***: no Default or Event of Default shall be deemed to be known to the Master Trustee, *unless* such Default or Event of Default (a) consists of the failure by the Obligated Group Representative, any Obligated Group Member or any Designated Affiliate to file with or give or furnish to the Master Trustee by the time specified herein any certificate, notice, direction, or other document or payment which is required by this Master Indenture to be received by the Master Trustee by a date certain or as a condition to any act hereunder or the failure of any certificate, notice, direction, or other document or payment received by the Master Trustee hereunder to conform on its face to the requirements hereof, or (b) is specified in written notice received by a Responsible Officer of the Master Trustee from the Obligated Group Representative, any Obligated Group Member, any Designated Affiliate, or any Holder of an Obligation.

D. ***General Applicability.*** Whether or not therein expressly so provided, every provision of this Master Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Article.

E. ***PATRIOT Act.*** The parties hereto acknowledge that in accordance with the Customer Identification Program (CIP) requirements under the USA PATRIOT Act and its implementing regulations, the Master Trustee, in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Master Trustee. The parties hereby agree that they shall provide the Master Trustee with such information as it may request including, but not limited to, each party's name, physical address, tax identification number and other information that will help the Master Trustee identify and verify each party's identity such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information.

Section 5.02. ***Notice of Defaults.***

Within 90 days after the occurrence of any Default that the Master Trustee has received written notice of, the Master Trustee shall give notice of such Default to each Holder of an Obligation, unless such Default shall have been cured or waived; *provided, however,* that, except in the case of a Default in the payment of principal of (or premium if any) or interest or other debt service charges or payment obligations on any Obligation or in the payment of any sinking or purchase fund installment with respect thereto, the Master Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or Responsible Officers of the Master Trustee in good faith determine that the withholding of such notice is in the interests of the Holders of Obligations; and *provided further* that in the case of any Default of the character specified in *Subsection 4.01.C* no such notice shall be given to the Holders of Obligations until at least 60 days after the occurrence thereof.

Section 5.03. ***Certain Rights of Master Trustee.***

Except as otherwise provided in *Section 5.01*:

A. ***Reliance on Documents***: the Master Trustee may conclusively rely and shall be protected in acting or refraining from acting upon:

(1) any resolution, certificate, statement, instrument, opinion, report, policy, notice, request, direction, consent, order, bond, coupon, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties (and the Master Trustee shall not be required to verify, review or investigate the accuracy of any information or calculation included therein or attached thereto); and

(2) failing to receive any paper, document, or communication, if prior receipt thereof is required by this Master Indenture before the Master Trustee is to take or refrain from taking action;

B. ***Evidence of Action by Obligated Group Representative***: any consent, request or direction of the Obligated Group Representative mentioned herein shall be sufficiently evidenced by a Consent, Request or Order of the Obligated Group Representative, and any resolution of the Governing Body of the Obligated Group Representative may be sufficiently evidenced by a Governing Body Resolution of the Obligated Group Representative;

C. ***Evidence of Action by Member of Credit Group***: any consent, request or direction of any Member of the Credit Group mentioned herein shall be sufficiently evidenced by a Consent, Request or Order of such Member of the Credit Group and any resolution of the Governing Body of such Member of the Credit Group may be sufficiently evidenced by a Governing Body Resolution of such Member of the Credit Group;

D. ***Reliance on Officer's Certificates***: whenever in the administration of this Master Indenture the Master Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Master Trustee (unless other evidence be herein specifically prescribed) may rely upon an Officer's Certificate of the Obligated Group Representative;

E. ***Reliance on Counsel***: the Master Trustee may consult with legal counsel and the written or verbal advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Master Trustee hereunder in good faith and in reliance thereon, *provided* that if the Master Trustee retains its own counsel in connection with any legal action involving the interests of the trust or its actions as Master Trustee, the Master Trustee is entitled to maintain attorney-client privilege in connection with such representation;

F. ***Right to Indemnity***: the Master Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Indenture at the request or direction of any of the Holders of Obligations pursuant to this Master Indenture, unless such Holders of Obligations shall have offered to the Master Trustee security or indemnity reasonably satisfactory to it against the fees, costs, expenses (including any attorneys' fees and expenses and any court costs), losses,

claims, and liabilities which might be incurred by it in compliance with such request or direction and for payment of the Master Trustee's fees in connection therewith, and such indemnification shall include the costs and expenses (including, but not limited to, any attorneys' fees and expenses) of enforcement of the Master Trustee's indemnification hereunder, and such indemnification shall survive the resignation or removal of the Master Trustee and termination of this Master Indenture;

G. ***No Investigation Required***: the Master Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, policy, notice, request, direction, consent, order, bond, coupon, or other paper or document, but the Master Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Master Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Obligated Group Representative and each Obligated Group Member, personally or by agent or attorney; *provided, however*, that such right of inspection and examination and to information shall specifically exclude donor records, patient records and personnel records;

H. ***Action through Agents***: the Master Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its agents or attorneys, and the Master Trustee shall not be responsible for any act, omission, misconduct, or negligence on the part of any agent or attorney appointed with due care by it hereunder;

I. ***Acting in Other Capacity***: to the extent the Person serving as Master Trustee is also acting in the capacity of Authenticating Agent, Paying Agent or Obligation Registrar, the rights, privileges, protections, benefits, immunities, and indemnities afforded to the Master Trustee pursuant to this Article shall also be afforded to such Person acting in such capacities;

J. ***Limitation on Damages***: the Master Trustee shall not be liable for special, indirect, punitive, or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Master Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

K. ***Permissive Rights***: permissive rights of the Master Trustee hereunder shall not be construed as duties of the Master Trustee;

L. ***Offering Documents***: the Master Trustee shall have no responsibility for any information, except for that information supplied by the Master Trustee about the Master Trustee, in any offering documents relative to any Obligations or Indebtedness authorized or contemplated by this Master Indenture;

M. ***Force Majeure***: in no event shall the Master Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation any (i) provision of any present or future law or regulation or act of any governmental authority, (ii) act of God, (iii) natural disaster, (iv) war, (v) terrorism, (vi) civil unrest, (vii) utility failure, (viii) labor dispute, (ix) disease, (x) epidemic or pandemic, (xi) quarantine, (xii) national emergency, (xiii) computer hardware or software failure, (xiv) communications system failure, (xv) malware

or ransomware attack, (xvi) unavailability of the Federal Reserve Bank wire or telex system or other applicable wire or funds transfer system, or (xvii) unavailability of any securities clearing system; and

N. ***Violation of Applicable Law***: the Master Trustee shall have no obligation to pursue any action that is not in accordance with applicable law.

Section 5.04. ***Not Responsible for Recitals or Application of Money.***

The recitals contained herein shall be taken as the statements of the Obligated Group Members, and the Master Trustee assumes no responsibility for their correctness. The Master Trustee makes no representations as to (i) the validity of the Obligations, *except* the Master Trustee's certificate of authentication thereon, or of this Master Indenture in respect of the other parties hereto, (ii) the sufficiency of this Master Indenture or of the Obligations, or (iii) the use of the proceeds of the Obligations. The Master Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Obligated Group Representative or any Obligated Group Member thereto or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged and deposited with the Master Trustee hereunder.

Section 5.05. ***May Hold Obligations.***

The Master Trustee and any Paying Agent, in its individual or any other capacity, may become the owner or pledgee of Obligations and may otherwise deal with the Obligated Group Representative, any Obligated Group Member, any Designated Affiliate or any Affiliate of the Obligated Group Representative, any Obligated Group Member or any Designated Affiliate with the same rights it would have if it were not Master Trustee or Paying Agent.

Section 5.06. ***Money Held in Trust.***

Money held or maintained by the Master Trustee hereunder need not be segregated from other funds except to the extent required by law. The Master Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Obligated Group Representative or any Obligated Group Member.

Section 5.07. ***Compensation and Reimbursement.***

Each Obligated Group Member, jointly and severally agrees:

A. ***Compensation***: to pay to the Master Trustee, each Paying Agent, the Authenticating Agent and the Obligation Registrar from time to time reasonable compensation for all services rendered by them hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

B. ***Expenses***: except as otherwise expressly provided herein, to reimburse the Master Trustee upon its request for all reasonable expenses, costs, fees, disbursements, and advances incurred or made by the Master Trustee in accordance with any provisions of this

Master Indenture (including the reasonable compensation and the expenses, costs, fees, and disbursements of its agents and counsel, and including the Authenticating Agent if paid by the Master Trustee), except any such expense, cost, fee, disbursement, or advance as may be directly caused by the Master Trustee's negligence or willful misconduct as finally determined by a court of competent jurisdiction; and

C. ***Indemnity***: to indemnify the Master Trustee, each Paying Agent, the Authenticating Agent and the Obligation Registrar (collectively the "***Indemnified Parties***" and each of them an "***Indemnified Party***") for, and to hold each Indemnified Party harmless against, any loss, liability, cost, fee, or expense (including actual losses and damages and any attorneys' fees and expenses and any court costs) incurred without negligence or willful misconduct on the part of such Indemnified Party in connection with the acceptance or administration of this trust, including the costs and expenses of defending themselves against any claim or liability in connection with the exercise or performance of any of their powers or duties hereunder and including the costs and expenses (including any attorneys' fees and expenses and any court costs) of enforcement of an Indemnified Party's right to indemnification hereunder.

The right of the Master Trustee, each Paying Agent, the Authenticating Agent and the Obligation Registrar to compensation for services and indemnification for their costs and expenses hereunder shall survive any of their resignation or removal and termination of this Master Indenture.

As security for the performance of the obligations of the Obligated Group Members under this Section, the Master Trustee shall be secured under this Master Indenture by a first priority lien on the Trust Estate prior to the lien hereof securing the Obligations, and for the payment of such compensation, expenses, reimbursements, and indemnity, the Master Trustee shall have the right to use and apply any trust funds held by it hereunder.

Section 5.08. ***Corporate Trustee Required; Eligibility.***

There shall at all times be a Master Trustee hereunder which shall be a corporation or association organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers having a combined capital and surplus of at least $50,000,000 subject to supervision or examination by federal or state authority. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. No corporation or association which acts as trustee for the owners of any Outstanding Indebtedness secured by an Obligation (other than the Indebtedness of a Guaranteed Person) shall be eligible to be the Master Trustee hereunder unless such corporation or association shall act as trustee for the owners of all Outstanding Indebtedness which is so secured. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 5.09. ***Resignation and Removal; Appointment of Successor.***

A. ***Conditioned upon Acceptance by Successor***. No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Master Trustee under *Section 5.10*.

B. ***Resignation***. The Master Trustee may resign at any time by giving written notice thereof to the Obligated Group Representative and the Holders. If an instrument of acceptance by a successor Master Trustee shall not have been delivered to the Master Trustee within 30 days after the giving of such notice of resignation, the resigning Master Trustee may petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

C. ***Removal Generally***. The Master Trustee may be removed at any time (1) by Act of the Holders of a majority in Aggregate Principal Amount of the Outstanding Obligations, delivered to the Master Trustee and the Obligated Group Representative at least 30 days prior to the date of such removal, or (2) unless an Event of Default shall exist hereunder, by Order of the Obligated Group Representative.

D. ***Extraordinary Removal***. If at any time:

(1) ***Ineligibility***: the Master Trustee shall cease to be eligible under *Section 5.08* and shall fail to resign after written request therefor by the Obligated Group Representative, any Obligated Group Member, or any Holder of an Obligation, or

(2) ***Incapacity or Insolvency***: the Master Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Master Trustee or of its property shall be appointed or any public officer shall take charge or control of the Master Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation,

then, in any such case, (a) the Obligated Group Representative may remove the Master Trustee, or (b) subject to *Section 4.15*, any Holder of an Obligation who has been a *bona fide* Holder thereof for at least six months, on behalf of itself and all others similarly situated, may petition any court of competent jurisdiction for the removal of the Master Trustee and the appointment of a successor Master Trustee.

E. ***Appointment of Successor***. If the Master Trustee shall resign, be removed, or become incapable of acting, or if a vacancy shall occur in the office of Master Trustee for any cause, the Obligated Group Representative shall promptly appoint a successor Master Trustee. If, within one year after such resignation, removal, or incapability or the occurrence of such vacancy, a different successor Master Trustee shall be appointed by Act of the Holders of a majority in Aggregate Principal Amount of the Outstanding Obligations and delivered to the Obligated Group Representative and the then current Master Trustee, then the successor Master Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Master Trustee and supersede the then current Master Trustee appointed by the Obligated Group Representative. If no successor Master Trustee shall have been so promptly appointed by the Obligated Group Representative or by such Holders of Obligations and accepted appointment in

the manner hereinafter provided, subject to *Section 4.15*, the Master Trustee or any Holder of an Obligation who has been a *bona fide* Holder thereof for at least six months, on behalf of itself and all others similarly situated, may petition any court of competent jurisdiction for the appointment of a successor Master Trustee. The Master Trustee shall be entitled to reimbursement for all fees, costs, and expenses (including any attorneys' fees and expenses and any court costs) incurred in connection with such petition, to be paid by the trust funds or each Obligated Group Member.

F. ***Notice of Resignation, Removal, and Appointment***. The Obligated Group Representative shall give, or shall cause the retiring or the successor Master Trustee to give, notice of each resignation and each removal of the Master Trustee and each appointment of a successor Master Trustee to the Holders of Obligations. Each notice shall include the name of the successor Master Trustee and the address of its Corporate Trust Office.

Section 5.10. ***Acceptance of Appointment by Successor.***

Every successor Master Trustee appointed hereunder shall execute, acknowledge, and deliver to the Obligated Group Representative and the retiring Master Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Master Trustee shall become effective and such successor Master Trustee, without any further act, deed, or conveyance shall become vested with all the estates, properties, rights, powers, trusts, and duties of the retiring Master Trustee; *but*, on Request of the Obligated Group Representative, any Obligated Group Member, or the successor Master Trustee, such retiring Master Trustee shall, upon payment in full of all sums owed to it hereunder, execute and deliver an instrument conveying and transferring to such successor Master Trustee upon the trusts herein expressed all the estates, properties, rights, powers, and trusts of the retiring Master Trustee, and shall duly assign, transfer, and deliver to such successor Master Trustee all Property held by such retiring Master Trustee hereunder, subject nevertheless to its lien, if any, provided for in *Section 5.07*. Upon request of any such successor Master Trustee, the Obligated Group Representative, each Obligated Group Member and each Designated Affiliate shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Master Trustee all such estates, properties, rights, powers, and trusts.

No successor Master Trustee shall accept its appointment unless at the time of such acceptance such successor Master Trustee shall be qualified and eligible under this Article, to the extent operative.

Section 5.11. ***Merger, Conversion, Consolidation, or Succession to Business.***

Any corporation or association into which the Master Trustee may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Master Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust assets or business of the Master Trustee, shall be the successor of the Master Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

Section 5.12. ***Co-trustees and Separate Trustees.***

At any time or times, the Obligated Group Representative and the Master Trustee shall have power jointly to appoint, and in such event the Obligated Group Representative and each Obligated Group Member shall for such purpose join with the Master Trustee in the execution, delivery, and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Master Trustee either to act as co-trustee, jointly with the Master Trustee, or to act as separate trustee of any property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons in the capacity aforesaid any property, title, right, or power deemed necessary or desirable, subject to the other provisions of this Section. If the Obligated Group Representative or any Obligated Group Member does not join in such appointment within 30 days after the receipt of it of a request so to do, or in case an Event of Default has occurred and is continuing, the Master Trustee alone shall have power to make such appointment.

Should any written instrument from the Obligated Group Representative or any Obligated Group Member be required by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right, or power, any and all such instruments shall, on request, be executed, acknowledged, and delivered by the Obligated Group Representative or such Obligated Group Member.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms:

A. ***Exclusive Powers of Master Trustee***: All rights, powers, duties, and obligations hereunder in respect of the custody of securities, cash, and other personal property held by, or required to be deposited or pledged with, the Master Trustee hereunder shall be exercised solely by the Master Trustee;

B. ***Joint Powers***: The rights, powers, duties, and obligations hereby conferred or imposed upon the Master Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Master Trustee or by the Master Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Master Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties, and obligations shall be exercised and performed by such co-trustee or separate trustee, and the Master Trustee shall have no responsibility therefor;

C. ***Resignation and Removal***: The Master Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Obligated Group Representative, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an Event of Default has occurred and is continuing, the Master Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Obligated Group Representative. Upon the written request of the Master Trustee, the Obligated Group Representative and each Obligated Group Member shall join with the Master Trustee in

the execution, delivery, and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section;

D. ***No Personal Liability***: No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Master Trustee or any other such co-trustee or separate trustee hereunder, and the Master Trustee shall not be personally liable for any act or omission of any co-trustee or separate trustee hereunder in the exercise of any right, power, duty, or obligation which may not be exercised jointly in accordance with *Subsection 5.12.B*; and

E. ***Acts of Holders of Obligations***: Any Act of Holders of Obligations delivered to the Master Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

Section 5.13. ***Authenticating Agent.***

There may be one or more Authenticating Agents appointed by the Master Trustee with power to act on the Master Trustee's behalf and subject to its direction in the authentication and delivery of Obligations of each issue designated for such authentication by the Person that created, assumed, or guaranteed such Obligations and containing provisions therein for such authentication in connection with transfers and exchanges under *Section 2.04*, as fully to all intents and purposes as though such Authenticating Agent had been expressly authorized by *Section 2.04* to authenticate and deliver Obligations of such issue. The Master Trustee shall give written notice of any such appointment to the Obligated Group Representative and the Holders of Obligations of the applicable series. For all purposes of this Master Indenture, the authentication and delivery of Obligations by any Authenticating Agent pursuant to this Section shall be deemed to be the authentication and delivery of Obligations "*by the Master Trustee*." Each Authenticating Agent so appointed shall at all times be a bank or trust company organized and doing business under the laws of the United States or of any state with a combined capital and surplus of at least $100,000,000 and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by federal or state authority. If any such corporation or association publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this Section the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any corporation or association into which any Authenticating Agent may be merged or converted or with which it may be consolidated or any corporation or association resulting from any merger, consolidation, or conversion to which any Authenticating Agent shall be a party, or any corporation or association succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of such Authenticating Agent hereunder, if such successor corporation or association is otherwise eligible under this Section, without the execution or filing of any further act on the part of the parties hereto or the Authenticating Agent or such successor corporation or association.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Master Trustee and the Obligated Group Representative. The Master Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and the Obligated Group Representative. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section, the Master Trustee may appoint a successor Authenticating Agent, in which case the Master Trustee shall give written notice of such appointment to the Obligated Credit Agent and the Holders of Obligations of the applicable series.

The Obligated Group Representative, and each Obligated Group Member if not paid by the Obligated Group Representative, agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services and, to the extent the Master Trustee pays such compensation, the Master Trustee shall be entitled to be reimbursed for such payments subject to *Section 5.07*. The provisions of *Sections 2.06*, *5.04*, and *5.05* shall be applicable to any Authenticating Agent.

* * *

ARTICLE VI
SUPPLEMENTAL INDENTURES

Section 6.01. ***Supplemental Indentures Without Consent of Holders of Obligations.***

Without the consent of any Holder of Obligations, the Obligated Group Representative and the Master Trustee may from time to time enter into one or more Supplements hereto for any of the following purposes:

A. ***To Restrict Obligations***: to add additional conditions, limitations, and restrictions thereafter to be observed to the conditions, limitations, and restrictions on the authorized amount, terms, or purposes of Indebtedness or other obligations which may be qualified as Obligations hereunder, as herein set forth; or

B. ***To Evidence or Issue Obligations***: to create and provide for the issuance of Obligations as permitted hereunder, to evidence that Indebtedness or other obligations have become Obligations hereunder in accordance with the provisions hereof, or to provide for the form, terms, conditions and provisions of such Obligations issued hereunder; or

C. ***To Amend Prospectively***: to modify or eliminate any of the terms of this Master Indenture; *provided*, *however*, that such Supplement shall expressly provide that any such modifications or eliminations shall become effective only when there is no Obligation Outstanding created prior to the execution of such Supplement which would be affected by such Supplement; or

D. ***To Add or Remove Obligated Group Members and Designated Affiliates***: to evidence the assumption by any Affiliate or other Person of the covenants and warranties of an Obligated Group Member or a Designated Affiliate hereunder or the release of an Obligated Group Member or a Designated Affiliate from such status in accordance with the provisions hereof; or

E. ***To Evidence Succession***: to evidence the succession of another Person to the Obligated Group Representative, any Obligated Group Member, any Designated Affiliate, the Master Trustee, the Obligation Registrar, any Paying Agent or any Authenticating Agent, and the assumption by any such successor of the covenants of such Person herein contained in accordance with the provisions hereof; or

F. ***To Add Restrictive Covenants***: to add to the covenants of the Obligated Group Representative, any Obligated Group Member or any Designated Affiliate for the benefit of the Holders of all or any series of Obligations (including a deemed Holder as provided in *Section 1.15*) or to surrender any right or power herein conferred upon the Obligated Group Representative, any Obligated Group Member or any Designated Affiliate; or

G. ***To Qualify under Trust Indenture Act***: to modify, eliminate, or add to the provisions of this Master Indenture to such extent as shall be necessary to effect the qualification of this Master Indenture under the Trust Indenture Act of 1939, as in force at the date of such qualification, or under any similar federal statute hereafter enacted, and to

add to this Master Indenture such other provisions as may be expressly permitted by the Trust Indenture Act of 1939, *excluding*, *however*, the provisions referred to in Section 316(a)(2) of the Trust Indenture Act of 1939 as in effect at the date as of which this instrument was executed or any corresponding provision in any similar federal statute hereafter enacted; or

H. ***To Comply with Securities Laws***: to comply with the provisions of any federal or state securities law; or

I. ***To Grant or Adjust Liens***: *subject* to *Section 3.05*, to grant a lien on or security interest in any property as security for payment of the Obligations, to correct or amplify the description of any property at any time subject to such lien or security interest, or better to assure, convey, and confirm unto the Master Trustee any property subject or required to be subject to such lien or security interest; or

J. ***To Respond to Changes in GAAP***: to modify any provision hereof in order to avoid any unintended impact on the compliance by the Credit Group or, if applicable, the System with financial covenants following any change in generally accepted accounting principles that would affect the computation of any financial ratio or other financial computation under this Master Indenture; or

K. ***Establishment of Funds***: to establish any one or more funds hereunder as provided in *Section 10.01* hereof; or

L. ***To Cure Defects***: to cure any ambiguity or formal defect or omission herein; or

M. ***To Make Non-Adverse Changes***: to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Master Indenture, which shall not be inconsistent with the provisions of this Master Indenture, *provided* such action shall not materially and adversely affect the interests of the Holders of Obligations.

The Master Trustee may determine (and shall be entitled to rely conclusively upon an Opinion of Counsel as to) whether or not any Obligation or the Holder thereof would be affected by any Supplement under *Clause C* or *Clause M* of this Section, and any such determination shall be conclusive upon every Holder of Obligations, whether theretofore or thereafter authenticated and delivered hereunder. The Master Trustee shall not be liable for any such determination made in good faith.

Section 6.02. ***Supplemental Indentures With Consent of Holders of Obligations.***

Other than Supplements referred to in *Section 6.01* hereof, with the consent of the Holders of not less than a majority in Aggregate Principal Amount of Obligations then Outstanding (by Act of such Holders delivered to the Obligated Group Representative and the Master Trustee), the Obligated Group Representative and the Master Trustee may enter into Supplements for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Indenture or of modifying in any manner the rights of the Holders of Obligations

under this Master Indenture; *provided, however*, nothing in this Section shall permit or be construed as permitting a Supplement which would:

A. effect a change in the times, amounts or currency of payment of the principal of (and premium, if any) and interest on any Obligation or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon, without the consent of the Holder of such Obligation;

B. permit the preference or priority of any Obligation over any other Obligation except as expressly provided herein, without the consent of the Holders of all Obligations then Outstanding; or

C. reduce the Aggregate Principal Amount of Obligations then Outstanding the consent of the Holders of which is required to authorize such Supplement without the consent of the Holders of all Obligations then Outstanding.

If the Holders of the required Aggregate Principal Amount of the Obligations Outstanding shall have consented to and approved the execution of such Supplement as herein provided, no Holder shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Trustee, the Obligated Group Representative or any Member of the Obligated Group from executing the same or from taking any action pursuant to the provisions thereof.

The Master Trustee may determine (and shall be entitled to rely conclusively upon an Opinion of Counsel as to) whether or not any Obligation or the Holder thereof would be affected by any Supplement under this Section, and any such determination shall be conclusive upon every Holder of Obligations, whether theretofore or thereafter authenticated and delivered hereunder. The Master Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for any Act of Holders of Obligations under this Section to approve the particular form of any proposed Supplement, but it shall be sufficient if such Act shall approve the substance thereof.

Each Holder of an Obligation delivering any consent or direction, which shall irrevocably bind every future Holder of the same Obligation and the Holder of every Obligation issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of a Supplement shall be deemed to have obtained any necessary consents or directions from the owners of Indebtedness secured by such Obligation.

Section 6.03. ***Execution of Supplemental Indenture.***

In executing, or accepting the additional trusts created by, any Supplement permitted by this Article or the modification thereby of the trusts created by this Master Indenture, the Master Trustee shall be entitled to receive and, *subject* to *Section 5.01*, shall be fully protected in relying upon, an Opinion of Counsel stating that all conditions set forth herein to be complied with by the Obligated Group precedent to the execution of such Supplement have been satisfied. The Master Trustee shall enter into each Supplement authorized or permitted by this Master Indenture upon

Request of the Obligated Group Representative, *but* shall not be obligated to enter into any such Supplement which imposes additional obligations on the Master Trustee or affects the Master Trustee's own rights, duties, privileges, indemnities, or immunities under this Master Indenture or otherwise, *except* to the extent required in the case of a Supplement entered into under *Subsection 6.01.G*.

Section 6.04. ***Effect of Supplemental Indenture.***

Upon the execution of any Supplement under this Article, this Master Indenture shall be modified in accordance therewith and such Supplement shall form a part of this Master Indenture for all purposes, and every Holder of Obligations theretofore or thereafter created, assumed, or guaranteed shall be bound thereby.

Section 6.05. ***Amendment of Supplemental Indentures.***

Any Supplement hereto may provide that the provisions thereof may be supplemented, modified, amended or restated without the consent of or notice to any of the Holders, or pursuant to such terms and conditions as may be specified in such Supplement. If a Supplement does not contain provisions relating to the amendment thereof, the amendment of such Supplement shall by governed by the provisions of *Sections 6.01* and *6.02*.

Section 6.06. ***Restatement of Master Indenture.***

On or after the date of the execution and delivery of any Supplement under this Article, and at the election of the Obligated Group Representative, this Master Indenture may be restated without the consent of the Holders of any Obligation for the sole purpose of incorporating any provision of this Master Indenture amended by such Supplement, and any other Supplements entered into under this Article, into this Master Indenture. The Master Trustee shall execute any such restated version of this Master Indenture prepared pursuant to this Section.

* * *

ARTICLE VII
DEFEASANCE; REPLACEMENT MASTER INDENTURE

Section 7.01. ***Payment of Obligations; Satisfaction and Discharge of Master Indenture.***

Whenever the following conditions shall exist, namely:

A. no Obligation shall remain Outstanding;

B. the Obligated Group Members have paid or caused to be paid all sums payable hereunder by such Obligated Group Members other than the Obligations; and

C. the Obligated Group Representative has delivered to the Master Trustee an Officer's Certificate and an Opinion of Counsel, each of which shall state that all conditions precedent herein provided for relating to the satisfaction and discharge of this Master Indenture have been complied with;

then, upon Request of the Obligated Group Representative, this Master Indenture and the rights and interests created hereby shall cease, determine, and become null and void and the Master Trustee and each co-trustee, separate trustee and Paying Agent, if any, then acting as such hereunder shall execute and deliver such instruments of satisfaction and discharge as may be necessary and pay, assign, transfer, and deliver to the Obligated Group Representative or upon Order of the Obligated Group Representative all cash, securities, and other personal property then held by it hereunder.

In the absence of a Request of the Obligated Group Representative as aforesaid, the payment of all Outstanding Obligations shall not render this Master Indenture inoperative or prevent any Obligated Group Member from creating, assuming, or guarantying Indebtedness as Obligations hereunder from time to time thereafter as herein provided.

Notwithstanding the satisfaction and discharge of this Master Indenture, (i) the Master Trustee shall retain such rights, powers and duties as may be necessary and convenient for the payment of amounts due or to become due on the Obligations and for the registration, transfer, exchange and replacement of Obligations, and (ii) the obligations of the Obligated Group Members to the Master Trustee under *Section 5.07* shall survive.

Section 7.02. ***Release of Obligations of Obligated Group Member.***

Whenever any Obligated Group Member has been released from its obligations and status as an Obligated Group Member pursuant to the provisions of *Section 9.02*, any Indebtedness of such Obligated Group Member that has become an Obligation hereunder pursuant to the provisions of *Section 2.01* may cease to be an Obligation and no longer be entitled to the benefits of this Master Indenture, including particularly the obligations of all remaining Obligated Group Members provided in *Section 3.01, if* (i) such release is provided for in the terms and conditions of such Obligation, or (ii) the Holder of such Obligation provides the Master Trustee with written consent to such release; *provided, however*, that notwithstanding *Clauses (i)* and *(ii)*, the joint and several payment obligations of such Obligated Group Member upon the Obligations arising solely by operation of *Section 3.01* shall terminate upon the release of such Obligated Group Member.

Section 7.03. ***Replacement of Master Indenture with Replacement Master Indenture.***

Upon the Request of the Obligated Group Representative under this Master Indenture and the delivery of a Replacement Master Indenture, the Master Trustee shall accept the substitution of such Replacement Master Indenture for this Master Indenture and the liens, rights and interests created hereby shall cease, determine and become null and void, and each Member of the Credit Group, the Master Trustee and each co-trustee, separate trustee and Paying Agent, if any, then acting as such herein shall, at the expense of the Obligated Group Representative, execute and deliver a termination statement and such instruments of satisfaction, release and discharge as may be necessary and pay, assign, transfer and deliver on the Order of the Obligated Group Representative all cash, securities, and other personal property then held by it hereunder as part of the Trust Estate, all upon delivery to the Master Trustee of:

A. ***Rating Confirmation***:

(i) evidence satisfactory to the Master Trustee that the long-term debt ratings assigned by any Rating Agency to the Obligations, to any Indebtedness secured by Obligations, or to the Obligated Group, in each case without regard to any third-party credit enhancement, either (a) will not be lowered or withdrawn for credit related reasons by any Rating Agency, which Rating Agency provides a rating both before and after the substitution, solely as a result of the substitution of such Replacement Master Indenture for this Master Indenture, or (b) will be in the "A" category or higher by at least one Rating Agency without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise (or, in the event of the adoption of any new or changed rating systems or a "global" rating scale, the rating category that most closely approximates such current "A" category) taking into account the substitution of such Replacement Master Indenture for this Master Indenture; or

(ii) evidence satisfactory to the Master Trustee that such Replacement Master Indenture is entered into in connection with a contemporaneous or prior merger, affiliation, acquisition or joint venture involving all or a part of the Obligated Group, and any entity or health system merged with or into, affiliated with, acquired or joint ventured with has or had a rating at least as high as the Obligated Group's then-current rating immediately prior to the completion of such merger, affiliation, acquisition or joint venture; and

B. ***Opinion of Counsel***: an Opinion of Counsel to the effect that (i) the Replacement Master Indenture has been duly authorized, executed and delivered by, and constitutes the legal, valid, binding and enforceable obligation of, those Persons who are parties to, or who otherwise have unconditionally guaranteed payment or become jointly and severally obligated under, the Replacement Master Indenture, subject to customary exceptions, (ii) the acceptance of the Replacement Master Indenture and the release of this Master Indenture will not, in and of itself, adversely affect the exclusion from gross income of interest under the Code on any Outstanding Obligations or any Indebtedness secured by Outstanding Obligations (other than the Indebtedness of a Guaranteed Person) and otherwise entitled to such exclusion, and (iii) all requirements and conditions herein to the acceptance of the Replacement Master Indenture and the release of this Master Indenture have been complied with and satisfied.

Notwithstanding the foregoing, no such Replacement Master Indenture shall, without the consent of each Holder of an Outstanding Obligation affected thereby:

(1) effect a change in the times, amounts or currency of payment of the principal of (and premium, if any) and interest on any Obligation or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon; or

(2) permit the preference or priority of any Obligation over any other Obligation except as expressly provided herein, it being that the Outstanding Obligations shall be and remain on parity with all such other Obligations.

Section 7.04. ***Status of Obligations under Replacement Master Indenture.***

Upon the acceptance of a Replacement Master Indenture and the release of this Master Indenture pursuant to *Section 7.03*, all Outstanding Obligations hereunder shall be deemed to be a note or obligation issued under and entitled to the security and benefits of the Replacement Master Indenture without the necessity of any amendment, exchange or replacement of such Obligations, unless and until such Obligations are exchanged for or replaced with a note or obligation issued under and entitled to the benefits of the Replacement Master Indenture in accordance with the terms and conditions of the Replacement Master Indenture.

Section 7.05. ***Notice of Replacement Master Indenture.***

Upon the acceptance of a Replacement Master Indenture and the release of this Master Indenture pursuant to *Section 7.03*, the Master Trustee shall give written notice of such acceptance and release to the Holders of the Obligations then Outstanding and, upon written request of any such Holder, provide a copy of the Replacement Master Indenture.

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ARTICLE VIII
CONSOLIDATION, MERGER, CONVEYANCE, OR TRANSFER

Section 8.01. ***Consolidation, Merger, Conveyance, or Transfer only on Certain Terms.***

No Obligated Group Member shall consolidate or merge with any Person or convey or transfer its properties substantially as an entirety to any Person, unless either:

A. ***Obligated Group Member is Surviving Entity***: after giving effect to such consolidation, merger, conveyance, or transfer, the successor, resulting, surviving or transferee Person is an Obligated Group Member; or

B. ***Other Mergers, Etc.***: all of the following conditions exist:

(1) ***Supplement to Master Indenture***: the Person formed by such consolidation or merger, or the Person which acquires by conveyance or transfer the properties of such Obligated Group Member substantially as an entirety, shall be a Person organized and existing under the laws of the United States of America or any state or the District of Columbia, and shall execute and deliver to the Master Trustee a Supplement containing (x) any grant, conveyance, transfer, security agreement, or mortgage required by the provisions of *Section 8.02* and (y) an agreement of such Person to (i) be jointly and severally obligated for the payment of the principal of (and premium, if any) and interest and other debt service charges and payment obligations on all Obligations on the terms provided in *Section 3.01*, and (ii) perform and observe every covenant and condition of this Master Indenture to be performed or observed by the Obligated Group Member which is the subject of such consolidation, merger, conveyance, or transfer;

(2) ***Transaction Test***: the Transaction Test will be met after giving effect to such consolidation, merger, conveyance, or transfer;

(3) ***Opinion of Counsel***: the Obligated Group Representative or the Obligated Group Member which is the subject of such consolidation, merger, conveyance, or transfer shall have delivered to the Master Trustee an Opinion of Counsel to the effect that (i) such consolidation, merger, conveyance, or transfer will not, in and of itself, adversely affect the exclusion from gross income of interest under the Code on any Outstanding Obligation or any Indebtedness secured by an Outstanding Obligation (other than the Indebtedness of a Guaranteed Person) and otherwise entitled to such exemption, and (ii) all conditions precedent herein provided for relating to such transaction have been complied with; and

(4) ***Officer's Certificate***: the Obligated Group Representative or the Obligated Group Member which is the subject of such consolidation, merger, conveyance, or transfer shall have delivered to the Master Trustee an Officer's Certificate stating that all conditions precedent herein provided for relating to such transaction have been complied with.

Section 8.02. ***Successor Entity Substituted.***

Upon any consolidation or merger of, or any conveyance or transfer substantially as an entirety of the properties of, any Obligated Group Member in accordance with *Section 8.01*, the successor Person formed by such consolidation or into which such Obligated Group Member is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, such Obligated Group Member under this Master Indenture with the same effect as if such successor Person had been named as such Obligated Group Member herein; *provided*, *however*, no such conveyance or transfer of its properties substantially as an entirety shall have the effect of releasing any Person which has accepted the covenants and warranties of an Obligated Group Member hereunder, or any successor Person which shall theretofore have become such in the manner prescribed in this Article, from its liability hereunder for payment of the principal of (and premium, if any) and interest and other debt service charges and payment obligations on the Obligations, *unless* (i) such conveyance or transfer is followed by the complete liquidation of such Person and substantially all of its assets immediately following such conveyance or transfer are the assets of such successor Person received in such conveyance or transfer, or (ii) such Person is released from its obligations under this Master Indenture pursuant to the applicable provisions of *Article IX*.

To the extent property, rights, privileges, and franchises then owned and which may thereafter be acquired by such successor Person are described in the *Granting Clauses* hereof, the Supplement required by this Section shall contain a grant, conveyance, transfer, and mortgage in terms sufficient to include and subject to the lien of this Master Indenture, subject only to any liens permitted by *Section 3.05*, all such property, rights, privileges, and franchises.

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ARTICLE IX
OBLIGATED GROUP MEMBERS
AND DESIGNATED AFFILIATES

Section 9.01. ***Admission as an Obligated Group Member.***

Any Person may become an Obligated Group Member if:

A. the Person proposing to become an Obligated Group Member shall execute and deliver to the Master Trustee a Supplement which evidences the agreement of such Person while such Person is an Obligated Group Member (i) to be jointly and severally obligated for the payment of the principal of (and premium, if any) and interest and other debt service charges and payment obligations on all Obligations then Outstanding and thereafter incurred on the terms provided in *Section 3.01*, (ii) to observe and perform each obligation of an Obligated Group Member set forth herein and be bound by the terms hereof, and (iii) to grant to the Master Trustee a security interest in its Pledged Accounts and other Property comprising the Trust Estate, subject to the exceptions and exclusions contained in the *Granting Clauses* hereof;

B. the Obligated Group Representative shall have delivered to the Master Trustee an Officer's Certificate (i) consenting to the inclusion of such Person as an Obligated Group Member, (ii) stating that the admission and such Supplement comply with this Section and that all conditions precedent provided in this Section relating to such admission have been complied with, and (iii) demonstrating that the Transaction Test will be met after giving effect to such admission; and

C. the Obligated Group Representative shall have delivered to the Master Trustee an Opinion of Counsel to the effect that (i) the admission of such Person as an Obligated Group Member will not, in and of itself, adversely affect the exclusion from gross income of interest under the Code on any Outstanding Obligations or any Indebtedness secured by Outstanding Obligations (other than the Indebtedness of a Guaranteed Person) and otherwise entitled to such exemption, (ii) the admission of such Person as an Obligated Group Member will not, in and of itself, adversely affect the enforceability of this Master Indenture against any current Obligated Group Member, (iii) the Supplement required by *Subsection 9.01.A*, and this Master Indenture as so supplemented, each constitute the legal, valid and binding obligation of such Person, enforceable in accordance with their respective terms and subject to customary exceptions, and (iv) all conditions precedent provided in this Section relating to such admission have been complied with.

Upon any Person becoming an Obligated Group Member as provided in this Section:

(1) except as provided in *Section 4.02*, the Master Trustee may pursue any remedies consequent upon an Event of Default against any Obligated Group Member, or all of them, without notice to, demand upon or joinder of (and without in any way releasing) any of the others, or against any one or more or all of them at the same time or at different

times, including enforcement of the Designated Affiliates' undertakings in accordance with this Master Indenture;

(2) any right of contribution or right acquired by subrogation by any Obligated Group Member against any other Obligated Group Member arising out of the payment of Indebtedness shall be subordinated in time and right to the rights of the Master Trustee and the Holders of Obligations; and

(3) each such Obligated Group Member shall be deemed to have (i) irrevocably designated the Obligated Group Representative (if one be serving at that time) as its attorney in fact with full power of substitution to perform, satisfy and discharge every obligation, covenant, duty or liability to be performed on the part of such Obligated Group Member hereunder, and to exercise any right, privilege or power hereunder or in respect of any security for the Obligations, and (ii) granted the Obligated Group Representative the powers, in the name and stead of such Obligated Group Member, set forth in *Section 1.14*.

Section 9.02. ***Withdrawal of Obligated Group Members.***

Any Obligated Group Member may, upon Request to the Master Trustee and the Obligated Group Representative (unless such Obligated Group Member is the Obligated Group Representative), withdraw as an Obligated Group Member, and the Master Trustee shall, at such withdrawing Obligated Group Member's Request and expense, execute and deliver an appropriate instrument releasing such Obligated Group Member from any liability or obligation under the provisions of this Master Indenture, *provided* that:

A. the Obligated Group Representative shall have delivered to the Master Trustee an Officer's Certificate (i) consenting to the withdrawal of such Person as an Obligated Group Member, (ii) stating that all conditions precedent provided in this Section relating to such withdrawal have been complied with, and (iii) demonstrating that (a) the Transaction Test will be met after giving effect to such withdrawal, or (b) all of the Property of such withdrawing Obligated Group Member could be disposed of pursuant to *Section 3.08*;

B. any Obligations issued by such Obligated Group Member are either (i) no longer Outstanding, or (ii) have been reissued in the name of or assumed in writing by another Obligated Group Member; and

C. the Obligated Group Representative shall have delivered to the Master Trustee an Opinion of Counsel to the effect that (i) the withdrawal of such Person as an Obligated Group Member will not, in and of itself, adversely affect (a) the exclusion from gross income of interest under the Code on any Outstanding Obligations or any Indebtedness secured by Outstanding Obligations (other than the Indebtedness of a Guaranteed Person) and otherwise entitled to such exemption, or (b) the validity of any such Indebtedness, and (ii) all conditions precedent provided in this Section relating to such withdrawal have been complied with.

Any Person that has withdrawn as an Obligated Group Member may again become an Obligated Group Member in accordance with the provisions of *Section 9.01*.

Section 9.03. ***Designation as a Designated Affiliate.***

Any Affiliate of any Obligated Group Member that satisfies the conditions set forth in the definition of "*Designated Affiliate*" in *Section 1.01* shall become a Designated Affiliate upon Request of the Obligated Group Representative that such Affiliate become a Designated Affiliate accompanied by:

A. a written undertaking for the benefit of the Credit Group and the Master Trustee executed by such Person evidencing the agreement of such Person to observe and perform the obligations of a Designated Affiliate in accordance with this Master Indenture, and to comply with all covenants herein which apply to Designated Affiliates for so long as such Person remains a Designated Affiliate; and

B. an Opinion of Counsel to the effect that the conditions contained herein relating to designation of a Designated Affiliate have been satisfied and that the instrument described in *Subsection A* above has been duly authorized, executed and delivered by such Person and constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions.

Upon any Person becoming a Designated Affiliate as provided in this Section, each such Designated Affiliate shall be deemed to have (i) irrevocably designated the Obligated Group Representative (if one be serving at that time) as its attorney in fact with full power of substitution to perform, satisfy and discharge every obligation, covenant, duty or liability to be performed on the part of such Designated Affiliate hereunder, and to exercise any right, privilege or power hereunder or in respect of any security for the Obligations, and (ii) granted the Obligated Group Representative the powers, in the name and stead of such Designated Affiliate, set forth in *Section 1.14*.

Section 9.04. ***Release of a Designated Affiliate.***

A Designated Affiliate shall be released from its obligations and status as a Designated Affiliate either upon (i) becoming an Obligated Group Member or (ii) delivery to the Master Trustee of an Officer's Certificate of the Obligated Group Representative requesting that such Person no longer be a Designated Affiliate and be released from its obligations and status as a Designated Affiliate hereunder, stating that all conditions precedent provided for under this Master Indenture relating to the release of such Person as a Designated Affiliate have been complied with, and stating that were such Person released as a Designated Affiliate on the date of such Officer's Certificate, no Default or Event of Default would arise out of such release, which Officer's Certificate shall be delivered to the Master Trustee if a Designated Affiliate no longer satisfies the conditions set forth in the definition of "*Designated Affiliate*" in *Section 1.01*.

* * *

ARTICLE X
FUNDS

Section 10.01. ***Establishment of Funds.***

From time to time as necessary to carry out the provisions and purposes hereof, there may be established by any Obligated Group Member one or more funds, including, without limitation, debt service funds or revenue funds, to better provide for the payment of all or any part of the Outstanding Obligations and for the fulfillment of the obligations of the Credit Group hereunder.

Any such fund may be established by the execution of a Supplement pursuant to *Subsection 6.01.B* or *6.01.K* hereof, which Supplement shall set forth the terms for deposits to and withdrawals from such fund, *provided* that the security for such deposits and the investment thereof shall be as provided in *Sections 10.02* and *10.03*.

Section 10.02. ***Security for Deposits.***

All money held by the Master Trustee or any Paying Agent for the credit of the funds established under *Section 10.01* in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured by the Master Trustee or such Paying Agent, for the benefit of the Obligated Group Members and the Holders of the Obligations, either (a) by lodging with a bank or trust company as collateral security Eligible Investments designated by the Person establishing such fund having a market value at all times (exclusive of accrued interest) not less than the amount of such deposit, or (b) in any other manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, of granting a preference in the case of, the deposit of trust funds; *provided, however*, that it shall not be necessary for the Master Trustee or such Paying Agent to give such security for the deposit with it of any money to be used to pay principal (and premium, if any), interest or other debt service charges which is at the time of such deposit due and payable with respect to any Obligations, or for the Master Trustee or such Paying Agent to give security for any money which shall be represented by investments or other obligations purchased under the provisions of *Section 10.03* as an investment of such money.

Section 10.03. ***Investments.***

Money held for the credit of any fund established under *Section 10.01* shall, as nearly as may be practicable, be continuously invested and reinvested by the Master Trustee or any Paying Agent at the written direction of the Obligated Group Representative in Eligible Investments. The Obligated Group Representative shall direct the Master Trustee or such Paying Agent in writing to invest in Eligible Investments that shall mature, or shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when money is expected to be required for the purpose intended. Obligations so purchased as an investment of any money credited to any such fund shall be deemed at all times to be a part of such fund. The interest accruing on obligations so purchased or on interest bearing time deposits and any profit realized from such investment shall be credited to such fund and any loss resulting from such investment shall be charged to such fund. For the purpose of determining the amount on deposit to the credit of any such fund, obligations in which money in such fund shall have been invested shall be valued

by the Master Trustee or such Paying Agent at the fair market value thereof. Such fair market value shall be determined by the Master Trustee or such Paying Agent using, and relying conclusively and without liability upon, any generally accepted industry standard and from a generally accepted pricing information service available to it. The Master Trustee and any Paying Agent shall be entitled to assume that any investment which at the time of purchase is an Eligible Investment remains an Eligible Investment thereafter, absent actual receipt of written notice to the contrary. The Master Trustee shall have no responsibility to monitor the ratings of Eligible Investments after the initial purchase of or investment in such Eligible Investment.

The Master Trustee and any Paying Agent shall sell or present for redemption any obligations held for the credit of any fund established under *Section 10.01* whenever it shall be necessary to do so in order to provide money to make any payment or transfer of money therefrom. The Master Trustee or such Paying Agent shall not be liable for any loss resulting from any such investment or sale of any amounts in funds established under *Section 10.01*, excepting only for such losses that have, as determined by a court of competent jurisdiction, directly resulted from the Master Trustee's or the Paying Agent's negligence or willful misconduct in their respective implementation of any permitted direction by the Obligated Group Representative.

The Master Trustee and any Paying Agent may make investments in or through its own bank or any of its affiliates or agents to the same extent it could if it were not the Master Trustee or Paying Agent hereunder. The Master Trustee, such Paying Agent, its bank, its affiliates or its agents may receive compensation in connection with investments made pursuant to this Master Indenture.

The Master Trustee and any Paying Agent may conclusively rely on the investment directions of the Obligated Group Representative as to the suitability and the legality of the directed investments.

Although each of the Obligated Group Representative and the Obligated Group Members recognizes that it may obtain a broker confirmation with respect to the investment of moneys in any fund or account (or a written statement containing comparable information) at no additional cost, the Obligated Group Representative and the Obligated Group Members hereby agree that confirmations of transactions related to Eligible Investments are not required to be issued by the Master Trustee or any Paying Agent for any month in which a monthly statement is rendered. No statement need be rendered for any fund or account for any month if no activity occurred in such fund or account during such month.

* * *

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Master Indenture to be duly executed, all as of the day and year first above written.

ST. LUKE'S HEALTH SYSTEM, LTD., *as an "Obligated Group Member" and as the "Obligated Group Representative"*

By: _____
Authorized Officer

COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION, *as Master Trustee*

By: _____
Authorized Signatory

EXHIBIT A

Existing Obligations

No.	Purpose	Date	Initial Principal Amount	Payee

[Outstanding Obligations as of the Effective Date to be inserted.]

EXHIBIT B

Members of the Obligated Group and Designated Affiliates

Obligated Group Members

St. Luke's Health System, Ltd., an Idaho nonprofit corporation
St. Luke's Regional Medical Center, Ltd., an Idaho nonprofit corporation
St. Luke's Magic Valley Regional Medical Center, Ltd., an Idaho nonprofit corporation
St. Luke's Nampa Medical Center, Ltd., an Idaho nonprofit corporation

Designated Affiliates

None

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APPENDIX D

SUMMARY OF FINANCING DOCUMENTS

APPENDIX D

SUMMARY OF FINANCING DOCUMENTS

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Brief descriptions of the Bond Indentures (defined at the end of this paragraph) and the Loan Agreements (as defined in the front part of this Official Statement) are included hereafter in this Appendix D. All references herein to the Bond Indentures and the Loan Agreements are qualified in their entirety by reference to each such document, copies of which are available for review at the principal corporate trust office of the Bond Trustee. All references to the Series 2025A Bonds, the Series 2025B Bonds, and the Series 2025C Bonds (collectively, the *"Bonds"*) are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto included in the Series 2025A Bond Indenture, the Series 2025B Bond Indenture, and the Series 2025C Bond Indenture (each as defined in the front part of this Official Statement and, collectively, the *"Bond Indentures"*), as applicable.

DEFINITIONS

The following are definitions of certain terms used in the Bond Indentures and the Loan Agreements. Terms not otherwise defined have the meanings set forth in the Master Indenture. See "APPENDIX C – Form of Master Indenture."

"Accountant" means any independent certified public accountant or firm of independent certified public accountants licensed to practice in the State (who may be the accountant or the firm of accountants who regularly audit the books and accounts of the Corporation or other Members of the Obligated Group) from time to time selected by the Corporation with the approval of the Authority.

"Act" means the Idaho Health Facilities Authority Act, constituting Sections 39-1441 *et seq.* of the Idaho Code, as amended.

"Adjustment Date" means (i) the Closing Date, (ii) any date which is the first day of an Adjustment Period designated in the manner set forth in certain provisions of the Bond Indentures, (iii) any date designated by the Obligated Group Representative pursuant to certain provisions of the Bond Indentures, as a mandatory tender date for purposes of certain of the provisions of the Bond Indentures, while the Bonds are held in the Term Mode, (iv) any Substitute Adjustment Date designated in the manner set forth in certain provisions of the Bond Indentures, and (v) any proposed Conversion Date designated in the manner set forth in certain provisions of the Bond Indentures.

"Adjustment Period" means, with respect to each Bond, each period commencing on an Adjustment Date for such Bond to and including the day immediately preceding the immediately succeeding Adjustment Date for such Bond, during which period such Bond shall operate in one type of Mode.

"Authority" means the Idaho Health Facilities Authority, an independent public body politic and corporate constituting a public instrumentality of the State, duly organized and existing under the laws of the State or any public corporation succeeding to its rights and obligations under the Loan Agreement.

"Authorized Denomination" means $5,000 or any integral multiple thereof.

"*Authorized Representative of the Authority*" means the Chairman, Vice-Chairman, Executive Director or Associate Executive Director of the Authority.

"*Bond Counsel*" means an attorney or firm of attorneys selected by the Authority and experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

"*Bond Financed Property*" means the Property for which the Corporation is reimbursed or which is or was acquired, constructed, renovated, remodeled or equipped, in whole or in part, out of the related Loan or out of the proceeds of the Refunded Bonds.

"*Bond Register*" means the registration records of the Authority kept by the Bond Trustee to evidence the registration and transfer of the respective Bonds.

"*Bondholder,*" "*holder,*" or "*owner*" means the person or persons in whose name or names a Bond shall be registered on the Bond Register in accordance with the terms of the related Bond Indenture.

"*Buildings*" means those certain buildings and all other structures and facilities (excluding any equipment and any other personal property but including all fixtures, heating and air conditioning equipment and all other equipment and machinery affixed to the Land and the Buildings) forming a part of the Hospital Facilities which are or will be located on the Land, as they may from time to time exist.

"*Business Day*" means a day which is not (i) a Saturday, Sunday or legal holiday on which banking institutions in the State, the State of New York or the state in which the Principal Office of the Bond Trustee is located are authorized by law to close or (ii) a day on which the New York Stock Exchange is closed or the payment system of the Federal Reserve Bank is not operational. Unless specifically referred to herein as a "Business Day," all references to "day" or "days" shall be to calendar days.

"*Closing Date*" means the date of the initial issuance and delivery of the Bonds.

"*Code,*" when used with reference to the Bond Indentures or the Loan Agreements, means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a Section of the Code herein shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such section which are applicable to the Bonds or the use of the proceeds thereof.

"*Construction Fund*" means the fund by that name established pursuant to the respective Bond Indenture.

"*Conversion Date*" means, for the Series 2025A Bonds, the first day of any Subsequent Fixed Mode and for the Series 2025B Bonds and the Series 2025C Bonds, means an Adjustment Date for any Bond on which it begins to bear interest at a Fixed Rate.

"*Corporation*" means St. Luke's Health System, Ltd., an Idaho nonprofit corporation, and its legal successors and assigns and any surviving, resulting or transferee corporation.

"*Days of Operating Expenses*" means operating expenses (i) minus depreciation and amortization expense and (ii) if included in operating expenses, provision for bad debts, all as determined in accordance with generally accepted accounting principles, divided by the number of days for the applicable period.

"*Defaulted Interest*" means interest on any Bond which is payable but not duly paid on the date due.

"*Defeasance Obligations*" means (i) direct, non-callable obligations of the United States of America, (ii) pre-refunded municipal obligations that are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on a date certain, and that are rated, based on an escrow fund, in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) of S&P and Moody's, or (iii) any combination thereof.

"*Environmental Law*" means any federal, state or local environmental statute, regulation, or ordinance presently in effect or that may be promulgated in the future as such statutes, regulations and ordinances may be amended from time to time, including but not limited to the statutes listed below:

(i) Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, *et seq.*,

(ii) Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.*,

(iii) Clean Air Act, 42 U.S.C. § 7401, *et seq.*,

(iv) Federal Water Pollution Control Act (Clean Water Act of 1977), 33 U.S.C. § 1251, *et seq.*,

(v) Federal Insecticide, Fungicide, and Rodenticide Act (Federal Pesticide Act of 1978), 7 U.S.C. § 136, *et seq.*,

(vi) Toxic Substances Control Act, 15 U.S.C. § 2601, *et seq.*, and

(vii) Safe Drinking Water Act, 42 U.S.C. § 300f, *et seq.*

"*Event of Default*" means (i) with respect to the Bond Indentures any occurrence or event summarized herein under "THE BOND INDENTURE – Events of Default" and (ii) with respect to the Loan Agreements, any occurrence or event summarized herein under "THE LOAN AGREEMENT – Failure to Perform Covenants; Remedies."

"*Favorable Opinion of Bond Counsel*" means an Opinion of Bond Counsel to the effect that the referenced action is authorized or permitted by the terms of the respective Bond Indenture, the respective Loan Agreement and the Act, will not adversely affect the continued validity and enforceability of the respective Bonds in accordance with their terms, and will not adversely affect any exclusion of interest on the respective Bonds from gross income for federal income tax purposes under Section 103(a) of the Code to which interest on the respective Bonds would otherwise be entitled.

"*Fitch*" means Fitch Ratings, Inc., its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, for the purpose of the definition of Qualified Investments only, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Bond Trustee at the written direction of the Obligated Group Representative with written notice to the Authority, the Bank and the Remarketing Agent.

"*Fixed Mode*" means, for the Series 2025A Bonds, the Initial Fixed Mode and, if applicable, any Subsequent Fixed Mode, during which the Series 2025A Bonds bear interest at the Fixed Rate and, for the Series 2025B Bonds and the Series 2025C Bonds, the Adjustment Period commencing on the Conversion Date established pursuant to the respective Bond Indenture, during which the respective Series 2025B Bonds or Series 2025C Bonds bear interest at the Fixed Rate.

"*Fixed Rate*" means, for the Series 2025A Bonds, in the Initial Fixed Mode, the fixed per annum interest rates borne by such Series 2025A Bonds set forth on the inside cover of this Official Statement, and, if applicable, for any Subsequent Fixed Mode, the fixed per annum interest rates borne by such Series 2025A Bonds established pursuant to certain provisions of the Series 2025A Bond Indenture.

"*Funds*" means any of the funds established pursuant to the respective Bond Indenture (other than the Rebate Fund).

"*Holder*" means the owner of any Obligation issued in registered form.

"*Hospital Facilities*" means St. Luke's Regional Medical Center located in Boise, Idaho, St. Luke's Eagle Medical Plaza located in Eagle, Idaho, St. Luke's Fruitland Medical Plaza located in Fruitland, Idaho, St. Luke's Jerome Medical Center located in Jerome, Idaho, St. Luke's Meridian Medical Center located in Meridian, Idaho, St. Luke's Elmore Medical Center located in Mountain Home, Idaho, St. Luke's Nampa Medical Center located in Nampa, Idaho, St. Luke's Magic Valley Regional Medical Center located in Twin Falls, Idaho, St. Luke's Cancer Institute facilities located in Boise, Fruitland, Meridian, Nampa and Twin Falls, Idaho, various surgery centers and outpatient clinics located in the municipalities referred to above, administrative and other support buildings in connection with the foregoing located in the municipalities referred to above, consisting of the Land, the Buildings and all machinery, equipment and other personal property located or to be located on the Land or in the Buildings (each constituting a "health facility" within the meaning of the Act), all as they may at any time exist.

"*Immediate Notice*" means notice by email to such email address as the addressee shall have directed in writing, promptly followed by written notice by first class mail, postage prepaid; provided, however, that if any Person required to give an Immediate Notice shall not have been provided with the necessary information as to the email address of an addressee, Immediate Notice shall mean written notice by first class mail, postage prepaid.

"*Independent Counsel*" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and may include independent legal counsel for the Corporation, any other Member of the Obligated Group, the Bond Trustee, the Authority or the Master Trustee, so long as such counsel is not an employee thereof.

"*Initial Fixed Mode*" means the Fixed Mode in which the Series 2025A Bonds are initially issued on the Closing Date.

"*Initial Term Mode*" means the Term Mode in which the Series 2025B Bonds and the Series 2025C Bonds are initially issued on the Closing Date.

"*Interest Fund*" means the fund by that name established pursuant to the respective Bond Indenture.

"*Interest Payment Date*" means (i) for each Bond, each Adjustment Date therefor, (ii) for any Bond in a Fixed Mode or Term Mode, each March 1 and September 1, commencing September 1, 2025 for the Initial Fixed Mode and Initial Term Mode, respectively, and for any Subsequent Fixed Mode, relating to the Series 2025A Bonds, as provided in certain provisions of the Series 2025A Bond Indenture, and (iii) for each Bond, the maturity thereof.

"*Land*" means the real estate, interests in real estate and other real property rights located in Ada County, Idaho, in Blaine County, Idaho, in Canyon County, Idaho, in Elmore County, Idaho, in Jerome County, Idaho, in Payette County, Idaho and in Twin Falls County, Idaho described in documents on file with the Bond Trustee, on which the Buildings are situated and on which the Bond Financed Property has been or will be acquired, constructed and installed, together with all additions to and substitutions for the Land, less such real estate, interests in real estate and other rights taken by the exercise of the power of eminent domain.

"*Loan*" means the loan by the Authority to the Corporation of the proceeds from the sale of the respective Bonds pursuant to the respective Loan Agreement.

"*Major Project Component*" means each item of the Bond Financed Property, the Book Value of which is $1,000,000 or more.

"*Maximum Interest Rate*" means the lesser of 12% per annum or the maximum rate permitted by law.

"*Moody's*" means Moody's Investors Service, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, for the purpose of the definition of Qualified Investments only, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency

designated by the Bond Trustee at the written direction of the Obligated Group Representative with written notice to the Authority.

"*Obligated Group Bond"* means any Bond which is registered in the name of any Member of the Obligated Group or any Affiliate thereof.

"*Official Statement*" means this Official Statement prepared in connection with the issuance and sale of the Bonds.

"Opinion of Bond Counsel" means, when used with reference to the Bond Indentures or the Loan Agreements, a written opinion of Bond Counsel in form and substance acceptable to the Authority and the Bond Trustee, which opinion may be based on a ruling or rulings of the Internal Revenue Service.

"Outstanding," "Bonds outstanding" or *"outstanding Bonds,"* when used with reference to the Bonds, means, as of any given date, all Bonds which have been duly authenticated and delivered under the respective Bond Indenture, except: (i) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity; (ii) Bonds for the payment or redemption of which cash or Defeasance Obligations shall have been theretofore deposited with the Bond Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) in accordance with the respective Bond Indenture; and (iii) Bonds in lieu of which other Bonds have been authenticated under the respective Bond Indenture.

For the purpose of all consents, approvals, waivers and notices required to be obtained or given under the Bond Indentures, Obligated Group Bonds shall not be deemed to be outstanding.

"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"*Plans and Specifications"* means plans and specifications for the Projects prepared by the Corporation as the same may be amended by the Corporation.

"*Principal Fund"* means the fund by that name established pursuant to the respective Bond Indenture.

"*Principal Office"* means, when used with respect to the Bond Trustee, the corporate trust office of the Bond Trustee located in Boise, Idaho, or such other location designated in writing by the Bond Trustee.

"*Projects"* has the meaning set forth in the front part of this Official Statement, to the extent financed with the proceeds of the Bonds.

"*Qualified Investments"* means:

(i) direct obligations of (including obligations issued or held in book entry form on the books of) the United States of America (other than obligations subject

to variation in principal repayment) and evidences of ownership of proportionate interests in future interest and principal payments in direct obligations of the United States of America held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying direct obligations of the United States of America are not available to any Person claiming through the custodian or to whom the custodian may be obligated;

(ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States the full and timely payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States;

(iii) bonds, notes or other evidences of indebtedness rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by S&P and Moody's issued by the Federal National Mortgage Association (excluding stripped obligations which are purchased at prices exceeding their principal amounts) or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(iv) U.S. dollar denominated deposit accounts, including time deposits (including those placed by a third party pursuant to an agreement between the Corporation and the Bond Trustee), trust funds, trust accounts, interest bearing accounts, overnight bank deposits, interest bearing money market accounts, federal funds and banker's acceptances with domestic commercial banks that have a rating on their short-term certificates of deposit on the date of purchase of "A-1" by S&P and "P-1" by Moody's and maturing no more than 30 days after the date of purchase; ratings on holding companies not being considered as the rating of the bank or which are fully insured by the Federal Deposit Insurance Corporation;

(v) repurchase agreements that (A) are fully secured by obligations of the kind specified in paragraph (i) or (ii) of this definition having a fair market value not less than 102% of the repurchase agreement; (B) are provided pursuant to a master repurchase agreement or other specific written agreement that: (1) specifies the interest rate; (2) requires a deposit of additional collateral if the level of the collateral falls below the required level on a valuation date (the procedures and notice provisions for satisfying a request for additional collateral to be specified in writing, and the Bond Trustee being required to liquidate collateral in the event of any failure to maintain the requisite collateral level); (3) specifies events of default, with the Bond Trustee being required to terminate the agreement within one Business Day following notice of default; (4) provides for transfer of funds in cash or by wire; and (5) at all times remains in compliance with applicable laws and regulations; (C) are with a broker/dealer subject to the jurisdiction of the Securities Investors' Protection Corporation or any domestic commercial bank or domestic branch of a foreign bank, if such broker/dealer or bank has uninsured, unsecured and unguaranteed long-term debt rated in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by S&P and Moody's for long-term debt of that nature; and (D) meet the following additional requirements: (1) the underlying obligations are

held, free and clear of any Lien, by the Bond Trustee or an independent third party acting solely as agent for the Bond Trustee, and such third party is (a) a Federal Reserve Bank, or (b) a bank that is a member of the Federal Deposit Insurance Corporation and has combined capital, surplus and undivided profits of not less than $20,000,000 and the Bond Trustee shall have received written confirmation from such third party that it holds such underlying obligations, free of any Lien, as agent for the Bond Trustee; (2) the repurchase agreement shall state, and the Bond Trustee shall receive, an opinion of Independent Counsel at the time such underlying obligations are delivered, that the holder of the underlying obligations has a perfected first security interest under the Idaho Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq., in the underlying obligations, any substitute underlying obligations and all proceeds thereof; and (3) the repurchase agreement has a term of 90 days or less and the Bond Trustee values the underlying obligations not less frequently than monthly and liquidates the underlying obligations if any deficiency in the required collateral level is not restored within two Business Days of such valuation; interest payments that occur on underlying obligations during the term of the agreement shall be paid to the Bond Trustee and the interest required to be paid with respect to the repurchase agreement shall be reduced to reflect the partial payment received;

(vi) commercial paper that is rated at the time of purchase "A-1+" by S&P and "P-1" by Moody's, and that matures no more than 270 days after the date of purchase;

(vii) investments in a taxable or tax-exempt money market fund including those for which the Bond Trustee, its parent holding company or any affiliates or subsidiaries of the Bond Trustee or such parent holding company provide investment advisory or other management services or serves as shareholder servicing agent, and/or custodian or subcustodian, (notwithstanding that (A) the Bond Trustee or an affiliate of the Bond Trustee receives fees from funds for services rendered, (B) the Bond Trustee collects fees for services rendered pursuant to the Bond Indentures, which fees are separate from the fees received from such funds, and (C) services performed for such funds and pursuant to the Bond Indentures may at times duplicate those provided to such funds by the Bond Trustee or an affiliate of the Bond Trustee) (1) of the Bond Trustee, or (2) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of "AA" or "AA-G" or better;

(viii) investment agreements with financial institutions (A) (1) all of the unsecured, direct long-term debt of which (or the long-term debt of its guarantor) is rated by S&P and Moody's in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) of such agencies for obligations of that nature or (2) if such financial institutions have no outstanding long-term debt that is rated, all of the short-term debt of which is rated by S&P and Moody's in the highest rating category (without regard to any refinement or gradation of rating by numerical modifier or otherwise) of such agencies for obligations of that nature or (B) that are collateralized by investments of the type described in paragraph (i) or (ii) of this definition having an aggregate fair market value at all times of

not less than 103% of the original principal amount of such investment; provided that the requirements set forth in paragraph (v) of this definition with respect to collateral for repurchase agreements shall be satisfied for the collateral for such investment agreements;

(ix) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state that are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on a date certain; and that (A) are rated, based on the escrow, in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by S&P and Moody's; or (B)(1) are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (i) of this definition, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (2) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate; and

(x) debt obligations of any corporation or trust organized under the laws of any state of the United States of America, which obligations are rated by S&P and Moody's in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise).

"*Rate Change Date*" means, for each Rate Period, (i) during any Term Mode, the Business Day(s) specified in the notice delivered to the Bond Trustee in accordance with certain provisions of the respective Bond Indentures, and (ii) each Adjustment Date.

"*Rate Determination Date*" means for (i) each Rate Period during any Term Mode, the calendar day(s) or Business Day(s) specified in the notice delivered to the Bond Trustee in accordance with certain provisions of the respective Bond Indentures, which calendar day(s) or Business Day(s) shall be no later than the first day of such Rate Period and no more than 30 calendar days prior to the first day of such Rate Period, (ii) the Rate Period for any Subsequent Fixed Mode, the date of the firm underwriting or purchase contract referred to in certain provisions of the respective Bond Indenture, (iii) the Rate Period following a proposed Conversion Date, in the event of a failed conversion, such proposed Conversion Date and (iv) the Rate Period following a failed Mode conversion pursuant to certain provisions of the respective Bond Indenture, the proposed Adjustment Date.

"*Rate Period*" means, with respect to each Bond, each period commencing on a Rate Change Date (or the Closing Date) for such Bond to and including the day immediately preceding the immediately succeeding Rate Change Date for such Bond (or the maturity or date of redemption thereof).

"*Rating Agency*" means each nationally recognized securities rating agency then maintaining a rating on the Bonds and initially means Fitch and S&P.

"*Rebate Fund*" means the fund by that name established pursuant to the respective Bond Indenture.

"*Record Date*" means February 15 and August 15 (whether or not a Business Day); provided, however, that if the Conversion Date shall occur on or after February 15 but prior to March 1 or on or after August 15 but prior to September 1, the Record Date shall be the Conversion Date.

"*Redemption Fund*" means the fund by that name established pursuant to the respective Bond Indenture.

"*Refunded Bonds*" means all outstanding aggregate principal amount of the Series 2014A Bonds.

"*Revenue Fund*" means the fund by that name established pursuant to the respective Bond Indenture.

"*Securities Depository*" means The Depository Trust Company or any successor securities depository appointed pursuant to the Bond Indentures.

"*Series 2014A Bonds*" means the "Idaho Health Facilities Authority Revenue Bonds, Series 2014A (St. Luke's Health System Project)."

"Series 2025A/B/C Obligations" has the meaning set forth in the front part of this Official Statement.

"*Special Record Date*" means the date fixed by the Bond Trustee pursuant to certain provisions of the respective Bond Indenture for the payment of Defaulted Interest.

"*S&P*" means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, its successors and their assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, for the purpose of the definition of Qualified Investments only, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Bond Trustee at the written direction of the Obligated Group Representative with written notice to the Authority.

"*Subsequent Fixed Mode*" means any Fixed Mode that follows the Initial Fixed Mode of the Series 2025A Bonds, which Fixed Mode commences upon a conversion of the Series 2025A Bonds to the Fixed Mode pursuant to certain provisions of the Series 2025A Bond Indenture.

"*State*" means the State of Idaho.

"*Term Mode*" means any Adjustment Period during which the Rate Determination Date and Rate Change Date for each Rate Period therein (which shall have a

duration of 367 days or more and less than or equal to the remaining term of the Bonds) shall be designated by the Remarketing Agent upon the request of the Obligated Group Representative pursuant to certain provisions of the Bond Indentures and during which Bonds bear interest at the Term Rate.

"*Term Rate*" means, for the Series 2025B Bonds and the Series 2025C Bonds in the Initial Term Mode, the respective fixed per annum interest rate borne by the Series 2025B Bonds and the Series 2025C Bonds as set forth on the inside front cover of this Official Statement and for subsequent Term Modes, each Rate Period within a Term Mode applicable to such Bond, a fixed per annum interest rate borne by such Bond established pursuant to certain provisions of the respective Bond Indenture equal to the lowest interest rate which, in the judgment of the Remarketing Agent, would enable such Bond to be remarketed at the principal amount thereof (plus or minus any original issue premium or discount) plus accrued interest thereon, if any, on the Rate Change Date for such Rate Period.

"*Trust Estate*" means the property pledged, assigned and conveyed to the Bond Trustee pursuant to the granting clauses of the respective Bond Indenture.

"*Unassigned Rights*" means the fees and expenses payable to the Authority and certain of the Authority's rights, powers and privileges which are not assigned to the Bond Trustee pursuant to the respective Bond Indenture.

"*Unrestricted Cash and Investments*" means the following unrestricted and unencumbered items: cash, cash equivalents, marketable securities and liquid investments (for purposes of this definition, liquid investments shall include hedge funds that can be sold or liquidated within a period of one (1) year). Unrestricted and unencumbered cash, cash equivalents, marketable securities and liquid investments shall exclude the following: restricted funds held by the Bond Trustee, restricted debt service funds, restricted construction funds, restricted debt service reserve funds, restricted malpractice funds, restricted litigation reserves, restricted self-insurance and captive insurer funds, restricted pension and retirement funds and the set aside or reserve for any related liability other than operating expense, and the amount realized from the sale or factoring of accounts receivable with recourse.

"*Written Request*" means with reference to the Authority, a request in writing signed by the Chairman, Vice-Chairman, Executive Director or Associate Executive Director of the Authority and with reference to the Corporation means a request in writing signed by the president, chief executive officer, chief financial officer or any vice-president of the Corporation or any other officers designated by the Authority or the Corporation as the case may be.

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THE LOAN AGREEMENT

The following summarizes certain provisions of each respective Loan Agreement. Such summary does not purport to be complete and reference is made to the Loan Agreements for full and complete statements of all such provisions.

General

The Authority will issue the Bonds to provide funds to finance the Projects. The Authority will make each respective Loan to the Corporation by depositing the net proceeds of the Bonds into the Funds described in the respective Bond Indenture and/or by delivering the net proceeds of the Bonds to the holders of the Refunded Bonds.

Concurrently with the delivery of the Bonds, the Corporation, as Obligated Group Representative, will execute and deliver to the Authority the Series 2025A/B/C Obligations in the respective principal amount equal to the aggregate principal amount of the respective Bonds, which shall be assigned by the Authority to the Bond Trustee. The payments due under the Loan Agreements and on the Series 2025A/B/C Obligations are required to be sufficient to pay the principal of, premium, if any, and interest on the respective Bonds.

The Corporation will have the option to prepay any of the Series 2025A/B/C Obligations at any time. Prepayments shall be used for payment, redemption or defeasance of the respective series of outstanding Bonds in the manner and to the extent provided by the respective Bond Indenture.

The Corporation shall receive credits on the Series 2025A/B/C Obligations, as applicable, resulting from the payment or prepayment thereof and from the payment or prepayment of other sources more fully described in the respective Loan Agreement.

Other Obligations

The Corporation will agree to pay the reasonable fees and expenses of the Bond Trustee. The Corporation also will agree to pay the fees and expenses of the Authority and will indemnify the Authority against certain liabilities with respect to the Projects, the Hospital Facilities and the Bonds.

Obligations of the Corporation Unconditional

The obligation of the Corporation to make the payments on the Series 2025A/B/C Obligations is absolute and unconditional. Until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Bond Indentures, the Corporation will not suspend or discontinue any payments on the Series 2025A/B/C Obligations, as applicable, or under the respective Loan Agreement for any cause.

Maintenance of Corporate Existence and Status

The Corporation agrees that it and the other Members of the Obligated Group will at all times maintain their respective existence as Idaho nonprofit corporations and that none of the Obligated Group will take any action or suffer any action to be taken by others which will alter, change or destroy their respective status as nonprofit corporations or their respective status as tax-exempt organizations. The Corporation further covenants in the Loan Agreements that none of the Obligated Group's revenues, income or profits, whether realized or unrealized, will be distributed to any of their respective members, directors or officers or inure to the benefit of any private Person, other than for the lawful corporate purposes of the Members of the Obligated Group; and that no such distribution shall be made which is prohibited by legislation pursuant to which the Members of the Obligated Group are governed or which would result in the loss or alteration of their respective status as tax-exempt organizations. However, the Members of the Obligated Group may pay to any Person the value of any service or product performed for or supplied to the Members of the Obligated Group by such Person.

Use of the Property

The Corporation agrees under the Loan Agreement that it and the other Members of the Obligated Group will use the Hospital Facilities primarily as and for hospital and related health care activities and only in furtherance of the lawful corporate purposes of the Corporation and the other Members of the Obligated Group.

The Corporation agrees under the Loan Agreement that (i) it shall not perform any acts, enter into any agreements, carry on or permit to be carried on at the Property, or permit the Property to be used in or for any trade or business, which shall adversely affect the basis for its exemption under Section 501 of the Code, (ii) it shall not permit any other Member of the Obligated Group to perform any acts, enter into any agreements, carry on or permit to be carried on at the Property, or permit the Property to be used in or for any trade or business, which shall adversely affect the basis for exemption under Section 501 of the Code of such other Member of the Obligated Group, (iii) it shall not use more than 5% of the net proceeds of the Bonds or permit the same to be used, directly or indirectly, in any trade or business that constitutes an unrelated trade or business as defined in Section 501(a) of the Code or in any trade or business carried on by any Person or Persons who are not governmental units or tax exempt organizations, in each case in such manner or to such extent as would adversely affect any exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103(a) of the Code to which such interest on the Bonds would otherwise be entitled, and (iv) it shall not directly or indirectly use the proceeds of the Bonds, or permit the same to be used, to make or finance loans to Persons other than governmental units or Tax Exempt Organizations.

The Corporation further agrees under the Loan Agreement that it will not use or permit to be used any portion of the Bond Financed Property for sectarian instruction or as a place of religious worship if such use would violate the First Amendment of the United States Constitution or Article I, Section 4 or Article 21, Section 19 of the Idaho Constitution.

Rates and Charges

The Corporation covenants and agrees in the Loan Agreements to operate the respective Hospital Facilities primarily as revenue-producing hospitals or as facilities related thereto, and to operate all its Property on a nondiscriminatory basis and to manage its business as to provide income from its Property together with other available funds sufficient to pay promptly all expenses of operation, maintenance and repair of its Property, all amounts owing on the Series 2025A/B/C Obligations, as applicable, and all other payments required to be made by the Corporation under the Loan Agreements to the extent permitted by law. This covenant shall not be construed to prohibit the Corporation from serving indigent patients to the extent required for it to continue its qualification as a tax-exempt organization or from serving any other class or classes of patients without charge or at reduced rates so long as such service does not prevent the Corporation from satisfying the other requirements of this covenant.

Maintenance, Merger, Sale and Insurance

During the term of each respective Loan Agreement, the Corporation shall at its own cost and expense keep the respective Hospital Facilities in good repair and order, reasonable wear and tear excepted, and in as reasonably safe condition as the operations thereof will permit and will make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary as well as extraordinary and foreseen as well as unforeseen, and all necessary replacements or renewals, subject in all respects to the receipt by the Corporation of all necessary governmental permits and approvals therefor, and subject further to the provisions of the Master Indenture. Compliance by the Corporation with the provisions of the Master Indenture shall constitute compliance with such covenant. See "APPENDIX C – Form of Master Indenture – Section 3.02. To Maintain Properties."

Notwithstanding the provisions of the Master Indenture or the provisions of the Loan Agreements summarized under this caption, the Corporation shall not assign the Loan Agreements in whole or in part or merge or consolidate with, or sell, lease or otherwise dispose of or permit the other Members of the Obligated Group to merge or consolidate with, or sell, lease or otherwise dispose of all or substantially all of the respective Hospital Facilities to, any Person without the prior written consent of the Authority.

The Corporation shall not sell or otherwise dispose, or permit the other Members of the Obligated Group to sell or otherwise dispose, of all or substantially all of any Major Project Component unless one or more of the following applies: (i) such Major Project Component is replaced with property having equal or greater value and utility, but not necessarily having the same function in the operation of the Hospital Facilities as modern health facilities (provided that such disposition and substitution shall not impair operating unity of any of the Hospital Facilities), (ii) such disposition results from damage, destruction, condemnation or sale under threat of condemnation and the Corporation complies with the provisions described under "Damage, Destruction and Condemnation" below or (iii) the Corporation prepays Obligation No. 31, 32, or 33, as applicable, in whole or in part by depositing with the Bond Trustee an amount equal to the fair market value of the Major Project Component disposed of, as certified in writing by an authorized representative of the Corporation, rounded upward, if necessary, to the next highest Authorized Denomination of the respective Bonds outstanding,

together with interest on a corresponding principal amount of the respective Bonds then outstanding and any other amounts, including redemption premium, if necessary, so that a principal amount of the respective Bonds (in Authorized Denominations) equal to the fair market value of the Major Project Component to be disposed of, rounded upward as aforesaid, shall no longer be outstanding under the respective Bond Indenture and the Corporation delivers to the Bond Trustee and the Authority an Opinion of Bond Counsel to the effect that (i) the principal amount of the respective Bonds described above is no longer outstanding under the respective Bond Indenture and, (ii) that the disposition of such Major Project Component and the deposit of moneys described above will not adversely affect the validity of the respective Bonds or any exclusion of the interest on the respective Bonds from gross income for federal income tax purposes under Section 103(a) of the Code to which such interest on the respective Bonds would otherwise be entitled.

The Corporation shall also maintain, or cause the other Members of the Obligated Group to maintain, such insurance as is reasonably required by the Authority and in any event shall keep the Property of the Members of the Obligated Group and their operations continuously insured in accordance with the Master Indenture.

Damage, Destruction and Condemnation

In the event of any damage, destruction, condemnation or sale under threat of condemnation of any part of the respective Hospital Facilities, to the extent that the net proceeds therefrom equal or exceed 10% of the Book Value of the Property, Plant and Equipment of the Obligated Group, the Corporation shall promptly give written notice to the Authority and the Bond Trustee and any repair, restoration, modification or improvement thereof shall be approved by the Authority and shall not impair the character of the Hospital Facilities as "health facilities" within the meaning of the Act.

Books and Records; Annual Audit

The Corporation agrees in the Loan Agreements that the Members of the Obligated Group will keep proper records and books of accounts in which complete and correct entries will be made of all dealings or transactions of, or in relation to, the business and affairs of the Obligated Group in material accordance with generally accepted accounting principles consistently applied. The Corporation will cause System Financial Statements to be prepared annually as soon as practicable. If the Total Revenues of the Obligated Group are less than seventy-five percent (75%) of the Total Revenues of the System for any Fiscal Year, the System Financial Statements delivered for that Fiscal Year shall include a consolidating or combining schedule from which the financial information relating solely to the Obligated Group may be derived. Such System Financial Statements shall be audited by an Accountant and contain such Accountant's report thereon, which report shall include an unqualified opinion to the effect that such Financial Statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the audited System, as applicable, in conformity with generally accepted accounting principles as of the date thereof (except, in the case of special purpose financial statements, for required consolidations or combinations) for such period. Within 30 days after receipt of the audit report but in no event later than 150 days after the end of each Fiscal Year, the Corporation will file or cause to be filed with the Bond Trustee and the

Authority a copy of the audited System Financial Statements as of the end of such Fiscal Year accompanied by the opinion of the Accountant. The Bond Trustee shall have no duty to review, verify or analyze such audit report, Obligated Group Financial Statements or System Financial Statements and shall hold such audit report, Obligated Group Financial Statements and System Financial Statements solely as a repository for the benefit of the respective Bondholders. The Bond Trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed therein in any manner. Such audit report shall be accompanied by a written statement of the Accountant that they have read the Loan Agreements and specifying whether anything has come to their attention to lead them to believe that the Corporation is in default in the performance of any financial covenant contained or incorporated by reference in the Loan Agreements and, if so, specifying such default.

Tax Covenant

The Corporation agrees in the Loan Agreements and represents to the Authority for the benefit of the owners of the Bonds that the Members of the Obligated Group will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the Members of the Obligated Group, or any Bond Financed Property if such action or omission (i) would cause the interest on the respective Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103(a) of the Code or (ii) would cause interest on the respective Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the respective Bonds until the date on which all obligations of the Corporation in fulfilling the above covenant under the Code have been met. The Corporation makes no covenant with respect to taxation of interest on the Bonds as a result of the inclusion of that interest in the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Code).

The Corporation agrees in the Loan Agreements to comply, and to cause the Members of the Obligated Group to comply, with all of its covenants set forth in its the tax compliance certificate executed in connection with the issuance of the Bonds and the representations and covenants set forth in such tax compliance certificate are thereby incorporated in the Loan Agreements by reference as if they had been set forth in the Loan Agreements in their entirety.

The Corporation further agrees under the Loan Agreements that neither it nor any related person as defined in Section 147(a) of the Code shall, pursuant to any arrangement, formal or informal, purchase obligations of the Authority in an amount related to the amount of the respective Bonds delivered in connection with the transactions contemplated thereby.

Agreement to Acquire, Construct and Install the Projects

The Corporation agrees in the Loan Agreements that it will cause the Projects to be acquired, constructed and installed as provided in the Loan Agreements on the Land. The Corporation agrees that:

(i) To the extent not heretofore completed, it will cause the Projects to be acquired, constructed and installed, all for use as health facilities and it will acquire, construct and install other facilities and personal property necessary for the effectuation of the Projects, all in accordance with the Plans and Specifications.

(ii) It will cause to be acquired and installed in the Hospital Facilities such other items of machinery, equipment and related property which in the Corporation's judgment may be necessary for operation of the Buildings as health facilities, all as provided in the Plans and Specifications.

(iii) It will acquire, construct and install such items in accordance with the Plans and Specifications with all reasonable dispatch, subject only to delays caused by strikes, riots or acts of God or the public enemy beyond the reasonable control of the Corporation. In the event such acquisition, construction and installation commences prior to the receipt of the related Loan, the Corporation agrees to advance all funds necessary for such purpose.

Nothing contained in the Loan Agreements and described above shall relieve the Corporation from making the payments on the Series 2025A/B/C Obligations or other payments required to be made pursuant to the Loan Agreements.

Other Covenants

The Corporation covenants under the Loan Agreements that it will remain a Member of the Obligated Group so long as any Bonds remain outstanding.

The Corporation warrants that its health care Properties and those of its Affiliates (other than those of a type for which accreditation is not available) currently in operation are now accredited by The Joint Commission and that its health care Properties currently in operation have all state and local licenses required for the operation thereof. The Corporation will obtain and maintain, or cause to be obtained and maintained all such licenses and accreditations required for its operations and the operation of its health care Properties and those of its Affiliates, so long as it is in the best interests of the Corporation and the respective Bondholders and to establish and maintain its status as a provider of health care services, eligible for payment under Medicare and equivalent insurance programs and under Medicaid and other similar contractual programs, including future federal and state programs, so long as it is in the best interests of the Corporation and the respective Bondholders. Compliance by the Corporation with the Master Indenture shall constitute compliance with this covenant. See "APPENDIX C – Form of Master Indenture – Section 3.02. To Maintain Properties."

The Corporation agrees at all times and in all respects to comply and cause the other Members of the Obligated Group to comply, with all Environmental Laws with respect to the Property of the Members of the Obligated Group.

The covenants contained in the Master Indenture with respect to Liens, transfers of Property and the incurrence of additional indebtedness are incorporated by reference in the Loan Agreements. Such provisions may not be modified or amended without the written consent of the Authority.

Failure to Perform Covenants; Remedies

The occurrence and continuance of any of the following events shall constitute an "Event of Default" under the Loan Agreements:

(i) failure of the Corporation to pay any installment of interest, principal or any premium on the Series 2025A/B/C Obligations or any other payment required by the respective Loan Agreement when the same shall become due and payable, whether upon a scheduled Interest Payment Date, at maturity, upon any date fixed for prepayment, by acceleration or otherwise; or

(ii) failure of the Corporation or the other Members of the Obligated Group to comply with or perform any of the covenants, conditions or provisions of the respective Loan Agreement, other than as referred to in subsection (1) above, and to remedy such default within 30 days after notice thereof from the Authority or the Bond Trustee to the Corporation; provided that if such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Corporation or such other Member of the Obligated Group to remedy such default within such 30-day period shall not constitute a default under the respective Loan Agreement if the Corporation or such other Member of the Obligated Group shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch; or

(iii) if any representation or warranty made by the Corporation in the respective Loan Agreement or in any statement or certificate furnished to the Authority or the Bond Trustee or the purchaser of any respective Bonds in connection with the sale of the respective Bonds or furnished by the Corporation pursuant to the respective Loan Agreement proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within 30 days after notice thereof to the Corporation by the Authority or the Bond Trustee; or

(iv) any Event of Default shall occur under the Master Indenture; or

(v) the occurrence of any event of default under the respective Bond Indenture.

The Corporation will give Immediate Notice to the Authority and the Bond Trustee of any event of default under subsection (v) above.

Upon the occurrence and during the continuance of any event of default under the respective Loan Agreement, the Authority or the Bond Trustee, as assignee of the Authority, shall have the following rights and remedies, in addition to any other remedies in the respective Loan Agreement or by law provided:

(i) *Acceleration of Maturity.* The Authority or the Bond Trustee may, by written notice to the Master Trustee, request that it declare the principal of Obligation No. 31, 32, or 33, as applicable (if not then due and payable), to be due and payable

immediately, subject to the provisions of the Master Indenture regarding waiver of events of default thereunder, anything in Obligation No. 31, 32, or 33, as applicable, or in the respective Loan Agreement contained to the contrary notwithstanding.

(ii) *Right to Bring Suit, Etc.* The Authority or the Bond Trustee, if such action relates to the collection of payments then due and thereafter to become due on the Series 2025A/B/C Obligations, as applicable, or the respective Bonds, personally or by attorney, may in their discretion proceed to protect and enforce their rights by pursuing any available remedy including a suit or suits in equity or at law, whether for damages or for the specific performance of any obligation, covenant or agreement contained in the Series 2025A/B/C Obligations, as applicable, the respective Loan Agreement or the Master Indenture, or in aid of the execution of any power granted in the respective Loan Agreement, or for the enforcement of any other appropriate legal or equitable remedy, as the Authority or the Bond Trustee shall deem most effectual to collect the payments then due and thereafter to become due on the Series 2025A/B/C Obligations or the respective Bonds, as applicable, to enforce performance and observance of any obligation, agreement or covenant of the Corporation or the Members of the Obligated Group under the respective Loan Agreement, under the Series 2025A/B/C Obligations or the respective Bonds, as applicable, or under the Master Indenture or to protect and enforce any of the Authority's or the Bond Trustee's rights or duties under the respective Loan Agreement or the Master Indenture.

(iii) *Rights under Bond Indentures.* The Bond Trustee may, if such action relates to the collection of payments then due and thereafter to become due on the Series 2025A/B/C Obligations, as applicable or the respective Bonds, take any action permitted under the respective Bond Indenture with respect to an event of default thereunder and may take any action afforded to a Holder of an Obligation as and to the extent permitted in the respective Bond Indenture.

Amendments, Changes and Modifications

Pursuant to the provisions of the Bond Indentures, the Authority and the Corporation with the consent of the Bond Trustee may, without the consent of or notice to the respective Bondholders, enter into any amendment, change or modification of the respective Loan Agreement as may be required (i) by the provisions of the respective Loan Agreement or by the respective Bond Indenture, (ii) to cure any ambiguity or formal defect or omission in the respective Loan Agreement, (iii) to comply with the provisions of the tax compliance certificate executed in connection with the issuance of the Bonds, (iv) to effect any change to the respective Bond Indenture described in "THE BOND INDENTURE — Supplemental Indentures Not Requiring Consent of Owners of Bonds" or (v) in connection with any other change therein which in the judgment of the Bond Trustee does not materially adversely affect the rights of the Bond Trustee or the owners of the respective Bonds.

Except for the amendments, changes or modifications as provided in the immediately preceding paragraph, the Bond Trustee shall not consent to any other amendment, change or modification of the respective Loan Agreement without the prior written approval or consent of the owners of not less than a majority in aggregate principal amount of the respective

Bonds which are outstanding under the respective Bond Indenture at the time of execution of any such amendment, change or modification.

Without the consent of each respective Bondholder affected, no amendment or supplement of the respective Loan Agreement may result in anything described in clauses (i) through (v) under "THE BOND INDENTURE — Supplemental Indentures Requiring Consent of Owners of Bonds."

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THE BOND INDENTURE

The following summarizes certain provisions of the Bond Indentures. Such summary does not purport to be complete and reference is made to the Bond Indentures for full and complete statements of all such provisions.

General

By the Bond Indentures, the Authority pledges, conveys and assigns to the Bond Trustee all of its right, title, and interest in and to the Loan Agreements (except for certain rights to payment of expenses and indemnification and the other Unassigned Rights) and in the Series 2025A/B/C Obligations, as applicable, including all amounts and sums payable thereunder, and all Funds created by the Bond Indentures and the moneys and securities held by the Bond Trustee in such Funds (other than the Rebate Fund) as security for the payment of the respective Bonds.

Establishment of Funds

Each Bond Indenture creates a Construction Fund, an Interest Fund, a Principal Fund, a Redemption Fund, a Revenue Fund, and a Rebate Fund, all of which are to be held by the Bond Trustee. Moneys in the Rebate Funds are not pledged to the holders of the Bonds.

Construction Fund

Pursuant to the Loan Agreements, the net proceeds received from the sale of the Bonds, less amounts needed to refund the Refunded Bonds, will be deposited in each Construction Fund, as indicated in each respective Bond Indenture. Moneys in each Construction Fund shall be used to pay the cost of acquiring, constructing and installing the Projects. The Bond Trustee is authorized under each respective Bond Indenture to issue its checks on or otherwise make payments from each Construction Fund for each payment only if certain procedural requirements enumerated in the respective Loan Agreement are met. Any moneys received as investment income on the moneys in each Construction Fund shall be retained in each Construction Fund until the completion of the Projects and payment of all construction costs.

Interest Fund

Moneys on deposit in each Interest Fund are to be used to pay interest on the respective Bonds. There will be deposited in each Interest Fund all moneys transferred thereto from each respective Redemption Fund, all other moneys required to be deposited therein pursuant to the respective Loan Agreement or the respective Bond Indenture, and all other moneys received by the Bond Trustee when accompanied by directions that such moneys are to be paid into the respective Interest Fund. Investment income on Interest Fund moneys realized prior to the completion of the Projects shall be paid into the respective Construction Fund and thereafter shall be retained in the respective Interest Fund, or unless such income is required or directed to be transferred to the respective Rebate Fund.

Principal Fund

Moneys on deposit in the respective Principal Fund are to be used to pay the principal of the respective Bonds when they become due and payable at maturity or mandatory sinking fund redemption. There will be deposited in the respective Principal Fund all moneys transferred thereto from the respective Redemption Fund, all moneys transferred thereto from the respective Construction Fund, all moneys required to be deposited therein pursuant to the respective Loan Agreement or the respective Bond Indenture, and all other moneys received by the Bond Trustee when accompanied by directions that such moneys are to be paid in the respective Principal Fund. Investment income on the respective Principal Fund moneys realized prior to the completion of the Projects relating to the Bonds shall be paid into the respective Construction Fund and thereafter shall be retained in the respective Principal Fund, or unless such income is required or directed to be transferred to the respective Rebate Fund.

Redemption Fund

In the event of (i) prepayment by or on behalf of the Corporation of amounts payable on the Series 2025A/B/C Obligations, as applicable, (ii) receipt by the Bond Trustee of condemnation awards, insurance proceeds or sale proceeds for purposes of redeeming respective Bonds, or (iii) deposit with the Bond Trustee by the Corporation or any other Member of the Obligated Group or the Authority of moneys from any other source for redeeming respective Bonds, such moneys shall be deposited in the respective Redemption Fund.

Moneys on deposit in the respective Redemption Fund shall be used first to make up any deficiencies in the respective Interest Fund and the respective Principal Fund (in the order listed) and second for the redemption or purchase of respective Bonds in accordance with the provisions of the respective Bond Indenture.

Revenue Fund

Except as provided in certain provisions of the respective Bond Indenture, all payments upon the Series 2025A/B/C Obligations, as applicable, and all payments under the respective Loan Agreement (other than payments related to Unassigned Rights), as and when received by the Bond Trustee, shall be deposited into the Revenue Fund and shall be held therein until disbursed as provided in the respective Bond Indenture. Pursuant to the assignment and pledge of payments and prepayments upon the Series 2025A/B/C Obligations, as applicable, set forth in the granting clauses contained in the respective Bond Indenture, the Authority will direct the Corporation to make payments upon the Series 2025A/B/C Obligations, as applicable, directly to the Bond Trustee when and as the same become due and payable under the terms of the Series 2025A/B/C Obligations, as applicable and the respective Loan Agreement.

Rebate Fund

Amounts paid by the Corporation pursuant to the respective Loan Agreement as required to comply with Section 148(f) of the Code shall be deposited in the respective Rebate Fund. In addition, notwithstanding any other provision of the respective Bond Indenture, upon the written direction of the Corporation, any investment income or other gain on moneys in any of the Funds may be transferred to the respective Rebate Fund to enable the Authority to satisfy

the requirements of Section 148(f) of the Code. Moneys in the respective Rebate Fund shall be paid to the United States in the amounts and at the times required by the Code at the writing direction of the Corporation. Any excess moneys contained in the respective Rebate Fund shall, at the written direction of the Corporation and the Authority, be transferred to the respective Interest Fund and the respective Principal Fund. Moneys in the respective Rebate Fund are not available to pay the principal of, premium, if any, or interest on the respective Bonds and the respective Bondholders have no right or interest in such moneys.

Investment of Funds

The moneys held by the Bond Trustee in the Funds and in each Rebate Fund shall be invested by the Bond Trustee only in Qualified Investments upon the written direction of the Obligated Group Representative.

Tax Covenant

In reliance upon the Corporation's covenant in the Loan Agreements summarized above under "THE LOAN AGREEMENT — Tax Covenant", the Authority and the Bond Trustee each covenant under the Bond Indentures for the benefit of each owner of the respective Bonds that they will not take any action or omit to take any action with respect to the respective Bonds, the proceeds thereof, any other funds of the Authority or the Bond Trustee or the Bond Financed Property if such action or omission (i) would cause the interest on the respective Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code or (ii) would cause interest on the respective Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Code. The covenant in the Bond Indentures summarized under this caption shall remain in full force and effect notwithstanding the payment in full or defeasance of the respective Bonds until the date on which all obligations of the Corporation in fulfilling the covenant summarized under this caption under the Code have been met.

Release and Substitution of Obligations upon Delivery of Replacement Master Indenture.

The Bond Trustee will surrender the Series 2025A/B/C Obligations, as applicable, upon presentation to the Bond Trustee prior to such surrender of the following:

(i) a copy of an originally executed counterpart of a master trust indenture or similar agreement (the "*Replacement Master Indenture*") executed by the parties named therein (collectively, the "*New Group*") and an independent corporate trustee (the "*Replacement Trustee*") meeting the eligibility requirements of the Master Trustee as set forth in the Master Indenture;

(ii) an original replacement note or similar obligation (the "*Substitute Obligation*") issued under and pursuant to and secured by the Replacement Master Indenture, which Substitute Obligation has been duly authenticated by the Replacement Trustee;

(iii) an opinion of counsel addressed to the Bond Trustee to the effect that: (1) the Replacement Master Indenture has been duly authorized, executed and

delivered by or on behalf of the New Group, the Substitute Obligation has been duly authorized, executed and delivered in accordance with the Replacement Master Indenture, and the Substitute Obligation and the Replacement Master Indenture are each a legal, valid and binding obligation of each member of the New Group, subject in each case to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity and to customary exceptions; (2) all requirements and conditions to the issuance of the Substitute Obligation set forth in the Replacement Master Indenture have been complied with and satisfied; and (3) registration of the Substitute Obligation under the Securities Act of 1933, as amended, is not required or, if registration is required, the Substitute Obligation has been so registered; and

(d) a Favorable Opinion of Bond Counsel addressed to the Bond Trustee that the surrender of the Series 2025A/B/C Obligations, as applicable, and the delivery of the related Substitute Obligation will not adversely affect the validity of any related Bonds or any exemption for the purposes of federal income taxation to which interest on any of the related Bonds would otherwise be entitled.

The Bond Trustee shall give immediate notice to the Authority of a request to surrender the Series 2025A/B/C Obligations, as applicable.

In connection with the delivery of a Replacement Master Indenture and the substitution of Series 2025A/B/C Obligations, as applicable, with the respective Substitute Obligation, the provisions of respective Bond Indenture summarized under this caption shall not permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of, premium, if any, and interest on any obligation or the related Bonds, (ii) a reduction in the principal amount of any obligation or the related Bonds, (iii) a change in the redemption premiums or rates of interest on any obligation or the related Bonds, or (iv) a preference or priority of any Obligation over any other Obligation unless the Bond Trustee receives the prior written consent of the Holder of each related Bond so affected.

Extension of Time; Penalty

In case the time for the payment of principal of or the interest on any Bonds shall be extended, whether or not such extension is by or with the consent of the Authority, such principal or such interest so extended shall not be entitled in case of default under the respective Bond Indenture to the benefit or security of the respective Bond Indenture except subject to the prior payment in full of the principal of all respective Bonds then outstanding and of all interest thereon, the time for the payment of which shall not have been extended.

Events of Default

Each of the following events is an "Event of Default" under each respective Bond Indenture:

(i) payment of any installment of interest payable on any of the respective Bonds (other than Obligated Group Bonds) shall not be made when the same shall become due and payable; or

(ii) payment of the principal of or the premium, if any, payable on any of the respective Bonds (other than Obligated Group Bonds) shall not be made when the same shall become due and payable, either at maturity, by proceedings for redemption, upon acceleration, through failure to make any payment to any Fund under the respective Bond Indenture, pursuant to any required mandatory tender required thereby, or otherwise; or

(iii) subject to certain provisions of each respective Bond Indenture, payment of any amount due in respect of the purchase price of Tendered Bonds shall not be made when the same shall become due and payable; or

(iv) an order or decree shall be entered appointing a receiver, receivers, custodian or custodians for any of the revenues of the Authority, or approving a petition filed against the Authority seeking reorganization of the Authority under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Authority, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof; or

(v) any proceeding shall be instituted, with the consent or acquiescence of the Authority, or any plan shall be entered into by the Authority, for the purpose of effecting a composition between the Authority and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or State statute now or enacted after the execution of the respective Loan Agreement, if the claims of such creditors are under any circumstances payable from any part or all of the Trust Estate, including the revenues and other moneys derived by the Authority under the Series 2025A/B/C Obligations, as applicable, or the respective Loan Agreement; or

(vi) the Authority (i) files a petition in bankruptcy or under Title 11 of the United States Code, as amended, (ii) makes an assignment for the benefit of its creditors, (iii) consents to the appointment of a receiver, custodian or trustee for itself or for the whole or any part of the Trust Estate, including the revenues and other moneys derived by the Authority under the Series 2025A/B/C Obligations, as applicable, or the respective Loan Agreement or (iv) is generally not paying its debts as such debts become due; or

(vii) if (a) the Authority is adjudged insolvent by a court of competent jurisdiction, (b) a petition in bankruptcy is filed against the Authority and the Authority is adjudged as bankrupt or (c) an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Authority, a receiver, custodian or trustee of the Authority or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(viii) the Authority shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(ix) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

(x) an "event of default" as set forth in the respective Loan Agreement shall have occurred (see "THE LOAN AGREEMENT — Failure to Perform Covenants; Remedies"); or

(xi) the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the respective Bonds or in the respective Bond Indenture to be performed on the part of the Authority, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority and the Obligated Group Representative by the Bond Trustee; *provided* that the Bond Trustee may give such notice and shall give such notice at the written request of the owners of not less than 10% in aggregate principal amount of the respective Bonds then outstanding under the respective Bond Indenture; and *provided further* that if such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Authority to remedy such default within such 30-day period shall not constitute a default under the respective Bond Indenture if the Authority shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch.

If on the date payment of principal of or interest on the respective Bonds is due, sufficient moneys are not available to make such payment, the Bond Trustee shall give telephonic notice of such insufficiency to the Obligated Group Representative.

Acceleration

Upon the occurrence of an event of default, the Bond Trustee may, without any action on the part of the respective Bondholders or shall, upon the written request of the owners of not less than 25% in aggregate principal amount of the respective Bonds then outstanding under the respective Bond Indenture (exclusive of Obligated Group Bonds and any respective Bonds the registered owner of which is the Authority), by notice in writing delivered to the Authority and the Obligated Group Representative, declare the entire principal amount of the respective Bonds then outstanding under the respective Bond Indenture and the interest accrued thereon immediately due and payable, and the entire principal and interest shall thereupon become and be immediately due and payable, subject, however, to the provisions of the respective Bond Indenture with respect to waivers of events of default. The Bond Trustee shall give notice thereof by first class mail, postage prepaid, to all owners of the outstanding

respective Bonds; *provided, however,* that the giving of such notice shall not be considered a precondition to the Bond Trustee declaring the entire principal amount of the respective Bonds then outstanding and the interest accrued thereon immediately due and payable. The respective Bonds shall cease to accrue interest on the date of acceleration whether or not they are paid on such date. Upon any declaration of acceleration under the respective Bond Indenture, the Bond Trustee shall immediately declare all principal due under the Series 2025A/B/C Obligations, as applicable, to be immediately due and payable as provided in the respective Loan Agreement.

Other Remedies

Upon the occurrence and continuance of any event of default described above, the Bond Trustee may, without any action on the part of the respective Bondholders, or upon the occurrence and continuance of any event of default described above and the written request of the owners of not less than 25% in aggregate principal amount of the respective Bonds then outstanding under the respective Bond Indenture (exclusive of Obligated Group Bonds and any respective Bonds the registered owner of which is the Authority) and upon being indemnified to its satisfaction the Bond Trustee shall:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the owners under, and require the Authority or the Corporation to carry out any agreements with or for the benefit of the owners of the respective Bonds and to perform its or their duties under the Act, the respective Loan Agreement and the respective Bond Indenture, *provided* that any such remedy may be taken only to the extent permitted under the applicable provisions of the respective Loan Agreement or the respective Bond Indenture, as the case may be;

(ii) bring suit upon the respective Bonds;

(iii) exercise all the rights and remedies of a secured party under the Idaho Uniform Commercial Code; or

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the respective Bonds, but any such judgment against the Authority shall be enforceable only against the Trust Estate and no recovery of any judgment by the Bond Trustee shall in any manner or to any extent affect the Lien of the respective Bond Indenture or any rights, powers or remedies of the Bond Trustee under the respective Bond Indenture, or any Lien, rights, powers or remedies of the owners of the respective Bonds, but such Lien, rights, powers and remedies of the Bond Trustee and of the respective Bondholders shall continue unimpaired as before.

The Bond Trustee shall have the right to decline to comply with any such request or direction if the Bond Trustee shall be advised by counsel (who may be its own counsel) that the action so requested may not lawfully be taken or the Bond Trustee in good faith shall determine that such action would be unjustly prejudicial to the owners of the respective Bonds not parties to such request.

Anything in the respective Bond Indenture to the contrary notwithstanding, the owners of not less than a majority in aggregate principal amount of the respective Bonds then

outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the respective Bond Indenture, or for the appointment of a receiver or any other proceedings under the respective Bond Indenture; *provided, however,* that such direction shall not be otherwise than in accordance with the provisions of law and of the respective Bond Indenture.

Restrictions on Bondholders

No owner of any respective Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the respective Bond Indenture or the execution of any trust thereof or for the appointment of a receiver or any other remedy under the respective Bond Indenture, unless a default shall have become an event of default and the owners of not less than 25% in aggregate principal amount of the respective Bonds outstanding have made written request to the Bond Trustee and offered the Bond Trustee reasonable opportunity to proceed to exercise the powers granted in the respective Bond Indenture or to institute such action, suit or proceeding in its own name in and unless also the respective Bondholders have offered to the Bond Trustee indemnity as provided in the respective Bond Indenture and unless the Bond Trustee thereafter shall fail or refuse to exercise the powers granted or to institute such action, suit or proceeding in its own name.

Waivers with Respect to Events of Default

The Bond Trustee may, in its discretion (but with Authority approval), but without any action on the part of the respective Bondholders, waive any event of default under the respective Bond Indenture and its consequences and rescind any declaration of acceleration of principal and shall do so (without a requirement of Authority approval) upon being indemnified to its satisfaction and upon the written request of the owners of (i) at least a majority in aggregate principal amount of all respective Bonds outstanding in respect of which default in the payment of principal and/or interest exists, or (ii) at least a majority in aggregate principal amount of all the respective Bonds outstanding in the case of any other event of default; provided, however, that there shall not be waived without the consent of all of the respective Bondholders affected thereby (A) any event of default in the payment of the principal of any outstanding respective Bonds when due, whether by mandatory redemption, at the dates of maturity specified therein or otherwise, or (B) any default in the payment when due of interest on any such respective Bonds.

Supplemental Indentures Not Requiring Consent of Owners of Bonds

Subject to the limitations of the Bond Indentures summarized below under "Supplemental Indentures Requiring Consent of Owners of Bonds," the Authority and the Bond Trustee may, without the consent of, or notice to, any of the owners of the respective Bonds, enter into an indenture or indentures supplemental to the respective Bond Indenture, for any one or more of the following purposes: (a) to cure any ambiguity or formal defect or omission in the respective Bond Indenture; (b) to grant to or confer upon the Bond Trustee for the benefit of the owners of the respective Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon such owners and the Bond Trustee, or either of them;

(c) to assign and pledge under or subject to the respective Bond Indenture additional revenues, properties or collateral; (d) to evidence the appointment of a separate bond trustee or the succession of a new bond trustee under the respective Bond Indenture; (e) to permit the qualification of the respective Bond Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute in effect after the execution of the respective Bond Indenture or to permit the qualification of the respective Bonds for sale under any state securities law of any state of the United States; (f) to permit continued compliance with the tax compliance certificate executed in connection with the issuance of the respective Bonds; (g) to provide for certificated Bonds; (h) to provide for the refunding or advance refunding of the respective Bonds, including the right to establish and administer an escrow fund and to take related action in connection therewith; (i) to implement a conversion of the interest rate on all or any portion of the Bonds to a Fixed Rate, a Term Rate, a Short Rate, a Bank Loan Rate, Index Rate, or FRN Rate, all as provided in the respective Bond Indentures, including but not limited to modifying, amending or supplementing the form of the respective Bond to reflect, among other things, a change in the designated title of the respective Bonds, the fixing of the rate of interest, the termination of the rights of any owner of the respective Bonds to tender such respective Bonds for purchase; (j) to effect a change in the optional redemption schedule for the respective Bonds in the Fixed Mode or a Term Mode pursuant to certain provisions of the respective Bond Indenture; (k) to appoint a successor Securities Depository; (l) to change any of the terms of the respective Bonds contained therein or in the respective Bond Indenture, and in connection with, any mandatory tender for purchase and subsequent remarketing of 100% of the respective Bonds (other than Obligated Group Bonds, Pledged Bonds, and respective Bonds owned by the Authority, if any) pursuant to certain provisions of the respective Bond Indenture; (m) to implement the provisions of the implementation of the Master Indenture, or to implement any modifications, amendments or supplements necessary or appropriate in order to conform the respective Bond Indenture to the Second Amended and Restated Master Indenture or to any modifications, amendments or supplements to the Master Indenture as are permitted under the Master Indenture; and (n) to make any other changes that in the judgment of the Bond Trustee do not materially adversely affect the rights of any respective Bondholders.

Supplemental Indentures Requiring Consent of Owners of Bonds

Exclusive of supplemental indentures described under "Supplemental Indentures Not Requiring Consent of Owners of the Bonds" and subject to the following terms and provisions, and not otherwise, the owners of not less than a majority in aggregate principal amount of the respective Bonds then outstanding under the respective Bond Indenture at the time of the execution of such indenture or supplemental indenture, shall have the right, from time to time, to consent to and approve the execution by the Authority and the Bond Trustee of such other indenture or indentures supplemental to the respective Bond Indenture as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms and provisions contained in the respective Bond Indenture or in any supplemental indenture; *provided, however,* that the foregoing shall not permit or be construed as permitting a supplemental indenture to effect: (i) an extension of the maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any respective Bonds, without the consent of the holder of such respective Bonds; (ii) a reduction in the amount or extension of the time or any payment required to be made to or

from the Interest Fund or the Principal Fund; (iii) the creation of any Lien prior to or on a parity with the Lien of the respective Bond Indenture on the Trust Estate or the deprivation of any respective Bondholders of the Lien created by the respective Bond Indenture on the Trust Estate, without the consent of the owners of all the respective Bonds at the time outstanding; (iv) a reduction in the aforesaid aggregate principal amount of the respective Bonds the owners of which are required to consent to any such supplemental indenture, without the consent of the owners of all the respective Bonds at the time outstanding which would be affected by the action to be taken; or (v) the modification of the rights, duties or immunities of the Bond Trustee, without the written consent of the Bond Trustee.

Anything contained in the respective Bond Indenture to the contrary notwithstanding, a supplemental indenture that shall not become effective, so long as no event of default shall have occurred and be continuing under the Master Indenture or the respective Loan Agreement, until the Obligated Group Representative shall have consented in writing to the execution and delivery of such supplemental indenture.

Defeasance

If the Authority shall pay or provide for the payment of the entire indebtedness on all of the respective Bonds outstanding in any one or more of the following ways:

(i) by paying or causing to be paid the principal of (including premium, if any) and interest on all of the respective Bonds outstanding, as and when the same become due and payable;

(ii) by depositing with the Bond Trustee or another trust bank located within or without the State, in a separate trust or escrow account, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all of the respective Bonds outstanding (including the payment of premium, if any, and interest payable on such respective Bonds to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested in Defeasance Obligations which are not repayable or callable prior to the date the moneys therefrom are anticipated to be required in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all of the respective Bonds outstanding at or before their respective maturity dates, it being understood that the investment income on such Defeasance Obligations may be used for any other purpose under the Act;

(iii) by delivering to the Bond Trustee, for cancellation, all of the respective Bonds outstanding; or

(iv) by depositing with the Bond Trustee or another trust bank located within or without the State, in a separate trust or escrow account, Defeasance Obligations which are not repayable or callable prior to the date the moneys therefrom are anticipated to be required in such amount as the Bond Trustee shall determine will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, and with any uninvested cash, be fully sufficient to pay or redeem (when

redeemable) and discharge the indebtedness on all of the respective Bonds at or before their respective maturity dates (including the payment of premium, if any, and interest payable on such respective Bonds to the maturity or redemption date thereof) and by furnishing to the Bond Trustee and the Authority (i) a report of an independent firm of nationally recognized certified public accountants addressed to the Authority and the Bond Trustee verifying the sufficiency of the escrow established to pay the respective Bonds in full, (ii) an Opinion of Bond Counsel addressed to the Authority and the Bond Trustee to the effect that the respective Bonds are no longer outstanding under the respective Bond Indenture, and (iii) a certificate of the Bond Trustee as to the discharge of such respective Bonds;

and if all other sums and amounts payable under the respective Bond Indenture and under the respective Loan Agreement shall be paid or provision for such payment shall be made and all amounts remaining in the Funds (after payment or provision for payment of the respective Bonds has been made) have been applied in accordance with the respective Bond Indenture, then and in that case the respective Bond Indenture and the estate and rights granted thereunder shall cease, determine and become null and void, and thereupon the Bond Trustee shall, upon Written Request of the Authority, and upon receipt by the Bond Trustee of an Officer's Certificate and an opinion of Independent Counsel, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of the respective Bond Indenture have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging the respective Bond Indenture and the Lien thereof. The satisfaction and discharge of the respective Bond Indenture shall be without prejudice to the rights of the Bond Trustee to charge and be reimbursed by the Authority and the Corporation for any fees and expenditures which it may thereafter incur in connection therewith.

The Authority, the Corporation or any other Member of the Obligated Group may at any time surrender to the Bond Trustee for cancellation by it any respective Bonds previously authenticated and delivered, which the Authority, the Corporation or any other Member of the Obligated Group may have acquired in any manner whatsoever, and such respective Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Upon the deposit with the Bond Trustee, in trust, at or before maturity, of moneys or Defeasance Obligations in the necessary amount to pay or redeem all outstanding respective Bonds (whether upon or prior to maturity or the redemption date of such respective Bonds) and compliance with the other payment requirements under "Defeasance" above, provided that if such respective Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in the respective Bond Indenture provided, or provisions satisfactory to the Bond Trustee shall have been made for the giving of such notice, and subject to the provisions of the last paragraph of this heading, the respective Bond Indenture may be discharged in accordance with the foregoing provisions but the liability of the Authority in respect of the respective Bonds shall continue provided that the owners thereof shall thereafter be entitled to payment only out of the moneys or the Defeasance Obligations deposited with the Bond Trustee as aforesaid.

If the Authority shall pay or provide for the payment of the entire indebtedness on any portion of the respective Bonds outstanding, in one or more of the following ways:

(i) by paying or causing to be paid the principal of (including premium, if any) and interest on such portion of the respective Bonds as and when the same shall become due and payable;

(ii) by depositing with the Bond Trustee or another trust bank located within or without the State, in a separate trust or escrow account, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) such portion of the respective Bonds (including the payment of premium, if any, and interest, provided that such moneys, if invested, shall be invested in Defeasance Obligations which are not repayable or callable prior to the date the moneys therefrom are anticipated to be required in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such portion of the respective Bonds at or before their respective maturity dates, it being understood that the investment income on such Defeasance Obligations may be used for any other purpose under the Act;

(iii) by delivering to the Bond Trustee, for cancellation, any such portion of the respective Bonds outstanding; or

(iv) by depositing with the Bond Trustee or another trust bank located within or without the State, in a separate trust or escrow account, Defeasance Obligations which are not repayable or callable prior to the date the moneys therefrom are anticipated to be required in such amount as the Bond Trustee shall determine will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, and with any uninvested cash, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such portion of the respective Bonds at or before their respective maturity dates (including the payment of premium, if any, and interest payable on such respective Bonds to the maturity or redemption date thereof) and by furnishing to the Bond Trustee and the Authority (i) a report of an independent firm of nationally recognized certified public accountants addressed to the Authority and the Bond Trustee verifying the sufficiency of the escrow established to pay such portion of the respective Bonds, (ii) an Opinion of Bond Counsel addressed to the Authority and the Bond Trustee to the effect that such portion of the respective Bonds are no longer outstanding under the respective Bond Indenture, and (iii) a certificate of the Bond Trustee as to the discharge of such portion of the respective Bonds;

and if the Authority shall also pay or cause to be paid all other sums payable under the respective Bond Indenture by the Authority with respect to such portion of the respective Bonds, and, if such portion of the respective Bonds is to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in the respective Bond Indenture provided, or provisions satisfactory to the Bond Trustee shall have been made for the giving of such notice, such portion of the respective Bonds shall cease to be entitled to any Lien, benefit or security under the respective Bond Indenture. The liability of the Authority in respect of such respective Bonds or such portion thereof shall continue but the owners thereof shall thereafter be entitled to payment (to the exclusion of all other respective Bondholders) only out of the moneys or Defeasance Obligations deposited with the Bond Trustee as aforesaid.

None of the respective Bonds outstanding under the respective Bond Indenture may be refunded as aforesaid nor may the respective Bond Indenture be discharged if under any circumstances interest on such refunded respective Bonds is thereby made subject to any federal income taxation to which such interest would not otherwise be subject. As a condition precedent to the advance refunding of any respective Bonds outstanding under the respective Bond Indenture, the Bond Trustee shall obtain a Favorable Opinion of Bond Counsel.

Force Majeure

The Bond Trustee shall not be considered in breach of or default in its obligations with respect to any obligations created under the respective Bond Indenture or progress in respect thereto, in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including but not limited to: acts of God or of the public enemy, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar events and/or occurrence beyond the control of the Bond Trustee; it being understood that the Bond Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Removal of the Bond Trustee

The Bond Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Bond Trustee, the Authority, and the Obligated Group Representative, and signed by the owners of not less than a majority in aggregate principal amount of the respective Bonds then outstanding. So long as no Event of Default has occurred and is continuing under the respective Bond Indenture or the respective Loan Agreement, the Bond Trustee may be removed at any time by an instrument in writing signed by the Authority, upon the written request of the Obligated Group Representative, and delivered to the Bond Trustee. The foregoing notwithstanding, the Bond Trustee may not be removed by the Authority unless written notice of the delivery of such instrument or instruments signed by the Authority is mailed to the owners of all respective Bonds outstanding under the respective Bond Indenture, which notice indicates the Bond Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective on the 90th day next succeeding the date of such notice, unless the owners of not less than 10% in aggregate principal amount of such respective Bonds then outstanding under the respective Bond Indenture shall object in writing to such removal and replacement. Such notice shall be mailed by first class mail postage prepaid to the owners of all such respective Bonds then outstanding at the address of such owners then shown on the Bond Register. Subsequent to the effective date of any such removal of the Bond Trustee, the Bond Trustee removed shall have no further duties or obligations under the respective Bond Indenture.

Appointment of Successor Bond Trustee by the Bondholders; Temporary Bond Trustee

In case the Bond Trustee shall resign or be removed, or be dissolved, or shall be in the process of dissolution or liquidation, or otherwise becomes incapable of acting under the respective Bond Indenture, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, then a vacancy shall forthwith and as a result thereof exist in the office of the Bond Trustee and a successor may be appointed, with the approval of the Authority, by the owners of a majority in aggregate principal amount of respective Bonds then outstanding by filing with the Authority and the Obligated Group Representative an instrument or concurrent instruments in writing signed by such owners or by their attorneys in fact duly authorized; provided, nevertheless, that in case of such vacancy the Authority by an instrument executed and signed by an Authorized Representative of the Authority and consented to by the Obligated Group Representative, may appoint a temporary Bond Trustee to fill such vacancy until a successor Bond Trustee shall be appointed by the Bondholders in the manner above provided; provided further, that if no permanent successor Bond Trustee shall have been appointed by the respective Bondholders within the six calendar months next succeeding the month during which the Authority appoints such a temporary Bond Trustee, such temporary Bond Trustee shall without any further action on the part of the Authority or the respective Bondholders become the permanent successor Bond Trustee. After any appointment by the Authority as provided in the respective Bond Indenture, the Authority shall cause notice of such appointment to be given to the Obligated Group Representative and each Rating Agency and to be given by first class mail, postage prepaid, to all owners of respective Bonds. The foregoing notwithstanding, any such temporary Bond Trustee so appointed by the Authority shall immediately and without further act be superseded by any successor Bond Trustee so appointed by such respective Bondholders, with the consent of the Authority, as provided above within the six calendar months next succeeding the month during which such temporary Bond Trustee is appointed.

APPENDIX E-1

SERIES 2025A FORM OF OPINION OF BOND COUNSEL

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February 12, 2025

Idaho Health Facilities Authority
Boise, Idaho

$395,170,000
Idaho Health Facilities Authority
Revenue Bonds, Series 2025A
(St. Luke's Health System Project)

Ladies and Gentlemen:

We have acted as bond counsel to the Idaho Health Facilities Authority (the "Authority") in connection with the issuance of its Idaho Health Facilities Authority Revenue Bonds, Series 2025A (St. Luke's Health System Project) in the aggregate principal amount of $395,170,000 (the "Bonds") pursuant to a Bond Indenture of Trust dated as of February 1, 2025 (the "Bond Indenture"), between the Authority and Zions Bancorporation, National Association, as trustee (the "Bond Trustee"). In such capacity, we have examined the Authority's certified proceedings and such other documents and such law of the State of Idaho and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Indenture or the below defined Master Indenture.

The Bonds are dated, mature on the dates, and bear interest at the rates provided in the Bond Indenture. The Bonds are subject to redemption prior to maturity in the manner and upon the terms set forth therein and in the Bond Indenture. The proceeds of the Bonds will be loaned by the Authority to St. Luke's Health System, Ltd., an Idaho nonprofit corporation (the "Corporation"), pursuant to a Loan Agreement dated as of February 1, 2025 (the "Loan Agreement"), between the Authority and the Corporation and be used by the Corporation for the purposes identified in the Bond Indenture.

In order to provide security for the repayment of the Bonds, there will be issued to the Authority St. Luke's Health System, Ltd. Obligation No. 31 ("Obligation No. 31") in the principal amount of $395,170,000 pursuant to that certain Master Trust Indenture, dated as of May 1, 1995, as heretofore supplemented and amended and as amended and restated as of August 1, 2018 (the "Existing Master Indenture"), and as such Existing Master Indenture is amended and restated on the date hereof by the Master Trust Indenture (Second Amended and

Restated), dated as of May 1, 1995 and amended and restated as of February 1, 2025 (the "Second Amended and Restated Master Indenture" and, together with the Existing Master Indenture, as amended and restated by such Second Amended and Restated Master Indenture, the "Master Trust Indenture"), between the Corporation, on behalf of itself as a Member of the Obligated Group and as Obligated Group Representative, and Computershare Trust Company, National Association (successor in interest to Wells Fargo Bank, National Association, as successor in interest to First Security Bank of Idaho, N.A.), as master trustee (the "Master Trustee"), as further supplemented and amended by the Twenty Seventh Supplemental Master Trust Indenture dated as of February 1, 2025 (the "Twenty Seventh Supplement" and together with the Master Trust Indenture, the "Master Indenture") between the Corporation and the Master Trustee.

Regarding questions of fact material to our opinions, we have relied upon the Authority's certified proceedings, representations and certifications of the Corporation, and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Authority has been duly created and is an independent public body politic and corporate, validly organized and existing under the laws and Constitution of the State of Idaho.

2. The Bonds have been duly authorized by the Authority, duly executed and delivered by authorized officers of the Authority, and (assuming due authentication by the Bond Trustee) are valid and binding special obligations of the Authority enforceable against the Authority in accordance with their terms, except as may be limited by insolvency, bankruptcy, reorganization, moratorium or other laws affecting the enforcement of creditors' rights and remedies generally or against municipal corporations such as the Authority from time to time in effect and by the application of general principles of equity.

3. The Loan Agreement and the Bond Indenture have been duly authorized by the Authority, duly executed and delivered by authorized officers of the Authority, and (assuming valid authorization, execution and delivery by the other parties thereto) constitute valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except as may be limited by insolvency, bankruptcy, reorganization, moratorium or other laws affecting the enforcement of creditors' rights and remedies generally or against municipal corporations such as the Authority from time to time in effect and by the application of general principles of equity.

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations"

(as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the certified proceedings of the Authority and the Corporation and in certain other documents and certain other certifications furnished to us. In rendering the opinions stated in this paragraph, we are relying on the opinion of Norton Rose Fulbright US LLP, counsel to the Corporation, as to the status of the Corporation and the other Members of the Obligated Group as qualifying as exempt from federal income taxation under Section 501(c)(3) of the Tax Code.

5. Interest on the Bonds is exempt from all State of Idaho income taxes under Idaho income tax laws in effect as of the date hereof.

The opinions expressed in this opinion letter are subject to the following:

In rendering the foregoing opinions, we are not passing upon: (i) the corporate status of the Corporation or the other Members of the Obligated Group; (ii) the power of the Corporation to execute and deliver the Loan Agreement, the Master Indenture, the Twenty Seventh Supplement or Obligation No. 31 or the power of the Corporation or the other Members of the Obligated Group to perform their respective obligations under any such documents or instruments; (iii) the validity or enforceability of the Loan Agreement, the Master Indenture, the Twenty Seventh Supplement or Obligation No. 31 against the Corporation or the other Members of the Obligated Group; or (iv) the security afforded by the Master Trust Indenture or the Twenty Seventh Supplement.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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APPENDIX E-2

SERIES 2025B FORM OF OPINION OF BOND COUNSEL

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February 12, 2025

Idaho Health Facilities Authority
Boise, Idaho

$92,510,000
Idaho Health Facilities Authority
Revenue Bonds, Series 2025B
(St. Luke's Health System Project)

Ladies and Gentlemen:

We have acted as bond counsel to the Idaho Health Facilities Authority (the "Authority") in connection with the issuance of its Idaho Health Facilities Authority Revenue Bonds, Series 2025B (St. Luke's Health System Project) in the aggregate principal amount of $92,510,000 (the "Bonds") pursuant to a Bond Indenture of Trust dated as of February 1, 2025 (the "Bond Indenture"), between the Authority and Zions Bancorporation, National Association, as trustee (the "Bond Trustee"). In such capacity, we have examined the Authority's certified proceedings and such other documents and such law of the State of Idaho and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Indenture or the below defined Master Indenture.

The Bonds are dated, mature on the dates, and bear interest at the rates provided in the Bond Indenture. The Bonds are subject to redemption prior to maturity in the manner and upon the terms set forth therein and in the Bond Indenture. The proceeds of the Bonds will be loaned by the Authority to St. Luke's Health System, Ltd., an Idaho nonprofit corporation (the "Corporation"), pursuant to a Loan Agreement dated as of February 1, 2025 (the "Loan Agreement"), between the Authority and the Corporation and be used by the Corporation for the purposes identified in the Bond Indenture.

In order to provide security for the repayment of the Bonds, there will be issued to the Authority St. Luke's Health System, Ltd. Obligation No. 32 ("Obligation No. 32") in the principal amount of $92,510,000 pursuant to that certain Master Trust Indenture, dated as of May 1, 1995, as heretofore supplemented and amended and as amended and restated as of August 1, 2018 (the "Existing Master Indenture"), and as such Existing Master Indenture is amended and restated on the date hereof by the Master Trust Indenture (Second Amended and Restated), dated

as of May 1, 1995 and amended and restated as of February 1, 2025 (the "Second Amended and Restated Master Indenture" and, together with the Existing Master Indenture, as amended and restated by such Second Amended and Restated Master Indenture, the "Master Trust Indenture"), between the Corporation, on behalf of itself as a Member of the Obligated Group and as Obligated Group Representative, and Computershare Trust Company, National Association (successor in interest to Wells Fargo Bank, National Association, as successor in interest to First Security Bank of Idaho, N.A.), as master trustee (the "Master Trustee"), as further supplemented and amended by the Twenty Eighth Supplemental Master Trust Indenture dated as of February 1, 2025 (the "Twenty Eighth Supplement" and together with the Master Trust Indenture, the "Master Indenture") between the Corporation and the Master Trustee.

Regarding questions of fact material to our opinions, we have relied upon the Authority's certified proceedings, representations and certifications of the Corporation, and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Authority has been duly created and is an independent public body politic and corporate, validly organized and existing under the laws and Constitution of the State of Idaho.

2. The Bonds have been duly authorized by the Authority, duly executed and delivered by authorized officers of the Authority, and (assuming due authentication by the Bond Trustee) are valid and binding special obligations of the Authority enforceable against the Authority in accordance with their terms, except as may be limited by insolvency, bankruptcy, reorganization, moratorium or other laws affecting the enforcement of creditors' rights and remedies generally or against municipal corporations such as the Authority from time to time in effect and by the application of general principles of equity.

3. The Loan Agreement and the Bond Indenture have been duly authorized by the Authority, duly executed and delivered by authorized officers of the Authority, and (assuming valid authorization, execution and delivery by the other parties thereto) constitute valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except as may be limited by insolvency, bankruptcy, reorganization, moratorium or other laws affecting the enforcement of creditors' rights and remedies generally or against municipal corporations such as the Authority from time to time in effect and by the application of general principles of equity.

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to

the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the certified proceedings of the Authority and the Corporation and in certain other documents and certain other certifications furnished to us. In rendering the opinions stated in this paragraph, we are relying on the opinion of Norton Rose Fulbright US LLP, counsel to the Corporation, as to the status of the Corporation and the other Members of the Obligated Group as qualifying as exempt from federal income taxation under Section 501(c)(3) of the Tax Code.

5. Interest on the Bonds is exempt from all State of Idaho income taxes under Idaho income tax laws in effect as of the date hereof.

The opinions expressed in this opinion letter are subject to the following:

In rendering the foregoing opinions, we are not passing upon: (i) the corporate status of the Corporation or the other Members of the Obligated Group; (ii) the power of the Corporation to execute and deliver the Loan Agreement, the Master Indenture, the Twenty Eighth Supplement or Obligation No. 32 or the power of the Corporation or the other Members of the Obligated Group to perform their respective obligations under any such documents or instruments; (iii) the validity or enforceability of the Loan Agreement, the Master Indenture, the Twenty Eighth Supplement or Obligation No. 32 against the Corporation or the other Members of the Obligated Group; or (iv) the security afforded by the Master Trust Indenture or the Twenty Eighth Supplement.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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APPENDIX E-3

SERIES 2025C FORM OF OPINION OF BOND COUNSEL

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February 12, 2025

Idaho Health Facilities Authority
Boise, Idaho

$91,405,000
Idaho Health Facilities Authority
Revenue Bonds, Series 2025C
(St. Luke's Health System Project)

Ladies and Gentlemen:

We have acted as bond counsel to the Idaho Health Facilities Authority (the "Authority") in connection with the issuance of its Idaho Health Facilities Authority Revenue Bonds, Series 2025C (St. Luke's Health System Project) in the aggregate principal amount of $91,405,000 (the "Bonds") pursuant to a Bond Indenture of Trust dated as of February 1, 2025 (the "Bond Indenture"), between the Authority and Zions Bancorporation, National Association, as trustee (the "Bond Trustee"). In such capacity, we have examined the Authority's certified proceedings and such other documents and such law of the State of Idaho and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Indenture or the below defined Master Indenture.

The Bonds are dated, mature on the dates, and bear interest at the rates provided in the Bond Indenture. The Bonds are subject to redemption prior to maturity in the manner and upon the terms set forth therein and in the Bond Indenture. The proceeds of the Bonds will be loaned by the Authority to St. Luke's Health System, Ltd., an Idaho nonprofit corporation (the "Corporation"), pursuant to a Loan Agreement dated as of February 1, 2025 (the "Loan Agreement"), between the Authority and the Corporation and be used by the Corporation for the purposes identified in the Bond Indenture.

In order to provide security for the repayment of the Bonds, there will be issued to the Authority St. Luke's Health System, Ltd. Obligation No. 33 ("Obligation No. 33") in the principal amount of $91,405,000 pursuant to that certain Master Trust Indenture, dated as of May 1, 1995, as heretofore supplemented and amended and as amended and restated as of August 1, 2018 (the "Existing Master Indenture"), and as such Existing Master Indenture is amended and restated on the date hereof by the Master Trust Indenture (Second Amended and Restated), dated

as of May 1, 1995 and amended and restated as of February 1, 2025 (the "Second Amended and Restated Master Indenture" and, together with the Existing Master Indenture, as amended and restated by such Second Amended and Restated Master Indenture, the "Master Trust Indenture"), between the Corporation, on behalf of itself as a Member of the Obligated Group and as Obligated Group Representative, and Computershare Trust Company, National Association (successor in interest to Wells Fargo Bank, National Association, as successor in interest to First Security Bank of Idaho, N.A.), as master trustee (the "Master Trustee"), as further supplemented and amended by the Twenty Ninth Supplemental Master Trust Indenture dated as of February 1, 2025 (the "Twenty Ninth Supplement" and together with the Master Trust Indenture, the "Master Indenture") between the Corporation and the Master Trustee.

Regarding questions of fact material to our opinions, we have relied upon the Authority's certified proceedings, representations and certifications of the Corporation, and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Authority has been duly created and is an independent public body politic and corporate, validly organized and existing under the laws and Constitution of the State of Idaho.

2. The Bonds have been duly authorized by the Authority, duly executed and delivered by authorized officers of the Authority, and (assuming due authentication by the Bond Trustee) are valid and binding special obligations of the Authority enforceable against the Authority in accordance with their terms, except as may be limited by insolvency, bankruptcy, reorganization, moratorium or other laws affecting the enforcement of creditors' rights and remedies generally or against municipal corporations such as the Authority from time to time in effect and by the application of general principles of equity.

3. The Loan Agreement and the Bond Indenture have been duly authorized by the Authority, duly executed and delivered by authorized officers of the Authority, and (assuming valid authorization, execution and delivery by the other parties thereto) constitute valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except as may be limited by insolvency, bankruptcy, reorganization, moratorium or other laws affecting the enforcement of creditors' rights and remedies generally or against municipal corporations such as the Authority from time to time in effect and by the application of general principles of equity.

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to

the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the certified proceedings of the Authority and the Corporation and in certain other documents and certain other certifications furnished to us. In rendering the opinions stated in this paragraph, we are relying on the opinion of Norton Rose Fulbright US LLP, counsel to the Corporation, as to the status of the Corporation and the other Members of the Obligated Group as qualifying as exempt from federal income taxation under Section 501(c)(3) of the Tax Code.

5. Interest on the Bonds is exempt from all State of Idaho income taxes under Idaho income tax laws in effect as of the date hereof.

The opinions expressed in this opinion letter are subject to the following:

In rendering the foregoing opinions, we are not passing upon: (i) the corporate status of the Corporation or the other Members of the Obligated Group; (ii) the power of the Corporation to execute and deliver the Loan Agreement, the Master Indenture, the Twenty Ninth Supplement or Obligation No. 33 or the power of the Corporation or the other Members of the Obligated Group to perform their respective obligations under any such documents or instruments; (iii) the validity or enforceability of the Loan Agreement, the Master Indenture, the Twenty Ninth Supplement or Obligation No. 33 against the Corporation or the other Members of the Obligated Group; or (iv) the security afforded by the Master Trust Indenture or the Twenty Ninth Supplement.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the or this *"Agreement"*) is executed and delivered by St. Luke's Health System, Ltd. (the *"Corporation"*), for itself and as Obligated Group Representative on behalf of the other Members of the Obligated Group (as such terms are defined herein), and Zions Bancorporation, National Association (the *"Dissemination Agent"*), as of February 12, 2025 in connection with the issuance of the (i) $395,170,000 Idaho Health Facilities Authority Revenue Bonds, Series 2025A (St. Luke's Health System Project) (the *"Series 2025A Bonds"*), (ii) $92,510,000 Idaho Health Facilities Authority Revenue Bonds, Series 2025B (St. Luke's Health System Project) (the *"Series 2025B Bonds*"), (iii) $91,405,000 Idaho Health Facilities Authority Revenue Bonds, Series 2025C (St. Luke's Health System Project) (the *"Series 2025C Bonds*" and, together with the Series 2025A Bonds and the Series 2025B Bonds, the *"Series 2025A/B/C Bonds"*) and (iv) $125,850,000 Idaho Health Facilities Authority Variable Rate Revenue Bonds, Series 2025D (St. Luke's Health System Project) (the *"Series 2025D Bonds"* and, together with the Series 2025A/B/C Bonds, the *"Bonds"*). The Series 2025A Bonds are being issued pursuant to a Bond Indenture of Trust dated as of February 1, 2025 (the *"Series 2025A Bond Indenture"*), between Zions Bancorporation, National Association, as bond trustee (the *"Bond Trustee"*), and the Idaho Health Facilities Authority (the *"Authority"*), related to the Series 2025A Bonds. The Series 2025B Bonds are being issued pursuant to a Bond Indenture of Trust dated as of February 1, 2025 (the *"Series 2025B Bond Indenture"*), between the Bond Trustee and the Authority, related to the Series 2025B Bonds. The Series 2025C Bonds are being issued pursuant to a Bond Indenture of Trust dated as of February 1, 2025 (the *"Series 2025C Bond Indenture"*), between the Bond Trustee and the Authority, related to the Series 2025C Bonds. The Series 2025D Bonds are being issued pursuant to a Bond Indenture of Trust dated as of February 1, 2025 (the *"Series 2025D Bond Indenture"* and, together with the Series 2025A Bond Indenture, the Series 2025B Bond Indenture and the Series 2025C Bond Indenture, the *"Bond Indentures"*) between the Bond Trustee and the Authority, related to the Series 2025D Bonds.

In consideration of the issuance of the Bonds by the Authority and the purchase of the Bonds by the Beneficial Owners (as defined in the hereinafter defined Official Statements) thereof, the Corporation, on behalf of itself and as Obligated Group Representative, covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Corporation, as of the date set forth below, for the benefit of the Beneficial Owners of the Bonds and in order to assist (i) J.P. Morgan Securities LLC (the *"Representative"*), on behalf of itself and Barclays Capital Inc. ("*Barclays*", and, together with the Representative, the *"2025 A/B/C Underwriters"*), relating to the Series 2025A/B/C Bonds and (ii) TD Securities (USA) LLC (the "*2025D Underwriter*"), relating to the Series 2025D Bonds, in complying with the requirements of the Rule (as defined below). The Corporation represents that the Members of the Obligated Group (as defined below) will be the only obligated persons within the meaning of the Rule (as defined below) with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters (as defined below) and that no other person is presently expected to become so committed.

2. DEFINITIONS. In addition to the terms defined in the Recital above, the following terms shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Other terms used but not defined herein shall have the meanings set forth in the related Bond Indenture.

"Annual Financial Information" means the annual financial information and operating data described in *Exhibit A*.

"Audited Financial Statements" means the audited consolidated financial statements of the Corporation and subsidiaries prepared in accordance with the standards and as described in *Exhibit A*.

"Bonds" means, collectively, the Series 2025A Bonds, the Series 2025B Bonds, the Series 2025C Bonds and the Series 2025D Bonds.

"*Bond Indentures"* means, collectively, the Series 2025A Bond Indenture, the Series 2025B Bond Indenture, the Series 2025C Bond Indenture and the Series 2025D Bond Indenture.

"Bond Trustee" means Zions Bancorporation, National Association and its successors or assigns.

"Business Day" means a day which is not (i) a Saturday, Sunday or legal holiday on which banking institutions in the State or the State of New York are authorized or required to remain closed, or (ii) a day on which the New York Stock Exchange is closed. Unless referred to herein as a Business Day, all references to "day" or "days" shall be to calendar days.

"Commission" means the Securities and Exchange Commission.

"Corporation" means St. Luke's Health System, Ltd. and its successors or assigns.

"Dissemination Agent" means, (i) initially, Zions Bancorporation, National Association, or its agent, or (ii) any agent designated as such in writing by the Corporation and which has filed with the Corporation a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" shall mean the Electronic Municipal Market Access website maintained by the MSRB at http://emma.msrb.org/ (or any successor website through which municipal market disclosure is permitted by applicable rules of the MSRB).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Financial Information Disclosure" means the disclosure of the Annual Financial Information and the Financial Statements pursuant to Section 4 hereof.

"Financial Obligation" means *"financial obligation"* as such term is defined in the Rule. As of the date of this Agreement, *"financial obligation"* is defined in the Rule as a (a) debt

obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Financial Statements" means the Audited Financial Statements and the Quarterly Financial Statements.

"Loan Agreements" means, collectively, the Series 2025A Loan Agreement, the Series 2025B Loan Agreement, the Series 2025C Loan Agreement and the Series 2025D Loan Agreement.

"Master Indenture" means the Master Trust Indenture (Second Amended and Restated) dated as of February 1, 2025, amending and restating the Master Trust Indenture, dated as of August 1, 2018, as supplemented and amended, between Computershare Trust Company, National Association, as successor to Wells Fargo Bank, National Association, as master trustee, and the Corporation, on behalf of itself as a Member of the Obligated Group and as Obligated Group Representative, as it may from time to time be further supplemented, modified, amended or restated.

"Member of the Obligated Group" has the meaning set forth in the Master Indenture.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Group" means the Obligated Group, as constituted from time to time, established under the Master Indenture, with the Corporation, St. Luke's Regional Medical Center, Ltd., St. Luke's Magic Valley Regional Medical Center, Ltd. and St. Luke's Nampa Medical Center, Ltd. being the current Members of the Obligated Group.

"Obligated Group Representative" has the meaning set forth in the Master Indenture.

"Official Statements" means, together, the Series 2025A/B/C Official Statement and the Series 2025D Official Statement.

"Participating Underwriters" means the 2025A/B/C Underwriters and the 2025D Underwriter and each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

"Quarterly Financial Statements" means the unaudited quarterly consolidated financial statements of the Corporation and subsidiaries for each of the first three fiscal quarters, prepared in accordance with the standards and as described in *Exhibit A*.

"Reportable Event" means the occurrence of any of the events with respect to the Bonds set forth in *Exhibit B*.

"Reportable Event Disclosure" means dissemination of a notice of a Reportable Event as set forth in Section 5.

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as amended, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

"*Series 2025A Bond Indenture"* means the Bond Indenture of Trust dated as of February 1, 2025 between the Authority and the Bond Trustee, related to the Series 2025A Bonds.

"Series 2025A Loan Agreement" means the Loan Agreement dated as of February 1, 2025 between the Corporation and the Authority, related to the Series 2025A Bonds.

"Series 2025A/B/C Bonds" means, together, the Series 2025A Bonds, the Series 2025B Bonds and the Series 2025C Bonds.

"Series 2025A/B/C Official Statement" means the Official Statement dated January 21, 2025, related to the Series 2025A/B/C Bonds.

"*Series 2025B Bond Indenture"* means the Bond Indenture of Trust dated as of February 1, 2025 between the Authority and the Bond Trustee, related to the Series 2025B Bonds.

"Series 2025B Loan Agreement" means the Loan Agreement dated as of February 1, 2025 between the Corporation and the Authority, related to the Series 2025B Bonds.

"*Series 2025C Bond Indenture"* means the Bond Indenture of Trust dated as of February 1, 2025 between the Authority and the Bond Trustee, related to the Series 2025C Bonds.

"Series 2025C Loan Agreement" means the Loan Agreement dated as of February 1, 2025 between the Corporation and the Authority, related to the Series 2025C Bonds.

"*Series 2025D Bond Indenture"* means the Bond Indenture of Trust dated as of February 1, 2025 between the Authority and the Bond Trustee, related to the Series 2025D Bonds.

"Series 2025D Loan Agreement" means the Loan Agreement dated as of February 1, 2025 between the Corporation and the Authority, related to the Series 2025D Bonds.

"Series 2025D Official Statement" means the Official Statement dated January 30, 2025, related to the Series 2025D Bonds.

"State" means the State of Idaho.

"Undertaking" means the obligations of the Corporation pursuant to Sections 4 and 5 hereof.

3. CUSIP NUMBERS. The CUSIP numbers assigned to the Bonds, as of the date of execution of this Agreement, are set forth in *Exhibit C* hereto. The Corporation will include such CUSIP numbers, or any CUSIP numbers assigned in substitution of such CUSIP numbers set forth in *Exhibit C* hereto, in all disclosure described in Sections 4 and 5 of this Agreement. The Corporation will provide the Dissemination Agent with the CUSIP numbers for any Bonds to which new CUSIP numbers are assigned in substitution of the CUSIP numbers previously assigned to such Bonds set forth in *Exhibit C* hereto.

4. FINANCIAL INFORMATION DISCLOSURE. The Corporation shall file, or shall cause the Dissemination Agent to file, the Financial Information Disclosure (in the forms and by the dates set forth in *Exhibit A*) with EMMA in such manner and format and accompanied by such identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified herein. The MSRB currently requires that all EMMA filings be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Corporation will disseminate, or will cause the Dissemination Agent to disseminate, a statement to such effect as part of the Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made pursuant to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made or in any notice or supplement provided to EMMA shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENT DISCLOSURE. Subject to Section 8 of this Agreement, the Corporation shall file, or shall cause the Dissemination Agent to file, in a timely manner (not in excess of 10 Business Days after the occurrence of the Reportable Event), Reportable Event Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit B* refer to materiality as it is interpreted under the Exchange Act. The MSRB currently requires that all EMMA filings be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

Notwithstanding the foregoing, notice of any optional or unscheduled redemption of Bonds or any defeasance of Bonds need not be given under this Agreement any earlier than notice of such redemption or defeasance is given to the Bondholders pursuant to the related Bond Indentures.

6. OBLIGATED PERSONS. (i) By virtue of the execution hereof by the Corporation, as Obligated Group Representative, each other current Member of the Obligated Group is deemed to be bound by the terms of this Agreement. In the event that any other person subsequently becomes a Member of the Obligated Group, such person shall be deemed, by virtue of becoming a Member of the Obligated Group, to be an obligated person within the meaning of this Agreement and shall be deemed to have agreed to its terms in its capacity as a Member of the Obligated Group.

(ii) Any Member of the Obligated Group reserves the right to terminate its obligation to provide Financial Information Disclosure and notices of Reportable Events, as set forth herein, if and when such person is no longer a Member of the Obligated Group or an obligated person with respect to the Bonds within the meaning of the Rule.

(iii) If the Corporation's obligations under the Loan Agreements are assumed in full by some other entity and the Corporation is no longer a Member of the Obligated Group or an obligated person with respect to any Bonds within the meaning of the Rule, such other entity shall be responsible for compliance with this Agreement in the same manner as if it were the Corporation, and the Corporation shall have no further responsibility hereunder.

(iv) If membership in the Obligated Group changes, the Corporation shall disseminate such information to EMMA.

7. CONSEQUENCES OF FAILURE OF THE CORPORATION TO PROVIDE INFORMATION. The Corporation shall give, or shall cause the Dissemination Agent to give, notice in a timely manner to EMMA of any failure to provide Financial Information Disclosure when the same is due hereunder. In the event of any such failure, the Participating Underwriters or the Beneficial Owner of any Bond may seek mandamus or specific performance by court order to cause the Corporation to provide such Financial Information Disclosure. Any such failure shall not be deemed to be an event of default under the Master Indenture, the Bond Indentures or the Loan Agreements, and the sole remedy under this Agreement for such failure shall be an action to compel performance.

8. AMENDMENTS; WAIVER. (i) Except as set forth in Section 4 hereof, this Agreement may be amended, and noncompliance by the Corporation with any provision of this Agreement may be waived, as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances that arises from a change in legal requirements (including without limitation, pursuant to a "no-action" letter issued by the Commission), change in law, or change in the identity, nature, or status of the Members of the Obligated Group, or type of business conducted by the Members of the Obligated Group. Any such amendment or waiver shall not be effective unless this Agreement (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until either (a) it is determined by a party unaffiliated with the Obligated Group and acceptable to the Authority, such as nationally recognized bond counsel or other counsel with experience in federal securities laws, or pursuant to a favorable "no-action" letter issued by the Commission, that the amendment or waiver does not materially and adversely affect the interests of the owners or Beneficial Owners of the Bonds, or (b) the

Dissemination Agent shall have received the written consent to the amendment or waiver of the holders of at least a majority of the principal amount of the Bonds then outstanding. Financial Information Disclosure containing any amended operating data or financial information shall explain, in narrative form or in footnotes, the reasons for any such amendment and the impact of the change on the type of operating data or financial information being provided. Any such amendment or waiver may apply to all of the Bonds or to any series or portion thereof.

(ii) Notwithstanding Sections 4 and 5 hereof, in the event that the Commission or the MSRB or other regulatory authority approves or requires Financial Information Disclosure or Reportable Event Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Corporation may, and shall if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

(iii) The Obligated Group shall provide any such amendment, waiver or modification to the Dissemination Agent. The Dissemination Agent may rely conclusively on any opinion delivered pursuant to the provisions of this Section 8 and shall have no duty to determine, or liability for failing to determine, whether any amendment, waiver or modification pursuant to this Section 8 is consistent with guidance provided by the Commission with regard to permitted amendments, or the manner of effecting such amendments, under the Rule.

9. TERMINATION OF REPORTING OBLIGATION. The continuing obligation hereunder of the Corporation with respect to the Bonds or a series of the Bonds shall be terminated immediately if the Obligated Group no longer has any legal liability for the repayment of the Bonds or such series of the Bonds. The Corporation shall give notice to EMMA in a timely manner if this Section 9 is applicable, which may be a notice of defeasance with respect to the Bonds or such series of the Bonds.

10. DISSEMINATION AGENT. The Corporation may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Zions Bancorporation, National Association.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Corporation from disseminating any information in addition to that which is required by this Agreement using the means of dissemination set forth in this Agreement or any other means of communication or from including any information in any Financial Information Disclosure or Reportable Event Disclosure which is in addition to that which is required by this Agreement. If the Corporation chooses to include any such additional information in any Financial Information Disclosure or Reportable Event Disclosure, the Corporation shall have no obligation under this Agreement to update such information or to include it in any future Financial Information Disclosure or Reportable Event Disclosure.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit

of the Corporation, the other Members of the Obligated Group, the Dissemination Agent, if any, and the Beneficial Owners of the Bonds and shall create no rights in any other person or entity.

13. RECORDKEEPING. The Corporation shall maintain records of all Financial Information Disclosure and Reportable Event Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The Corporation shall not withdraw from or transfer its obligations under the Loan Agreements or the Master Indenture unless a successor or transferee agrees to assume all obligations of the Corporation under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

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16. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

ST. LUKE'S HEALTH SYSTEM, LTD., on behalf of itself and as Obligated Group Representative on behalf of the other Members of the Obligated Group

By:_____
Senior Vice President and
Chief Financial Officer

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as dissemination agent

By: _____
Vice President, Zions Bank Division

[Signature Page to Continuing Disclosure Agreement]

EXHIBIT A

ANNUAL FINANCIAL INFORMATION AND TIMING; AUDITED FINANCIAL STATEMENTS AND QUARTERLY FINANCIAL STATEMENTS

Capitalized terms used in this Exhibit A have the meanings ascribed thereto in the within Agreement. The following provisions are subject to Section 8 of the Agreement.

All or a portion of the Financial Information Disclosure may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in an official statement, such official statement must be available on EMMA. The Corporation shall clearly identify each such item of information included by reference.

I. Annual Financial Information

A. Financial, statistical and operating data similar in form to, and of the type of, the financial, statistical and operating data included in Appendix A in the tables under the following captions: (i) "MEDICAL STAFF"; (ii) "HEALTH SYSTEM SERVICE AREA, COMPETITION AND UTILIZATION—Health System Service Area"; (iii) "HEALTH SYSTEM SERVICE AREA, COMPETITION AND UTILIZATION—Bed Complement"; (iv) "HEALTH SYSTEM SERVICE AREA, COMPETITION AND UTILIZATION—Utilization Statistics"; (v) "HEALTH SYSTEM SERVICE AREA, COMPETITION AND UTILIZATION—Payor Mix"; (vi) "FINANCIAL INFORMATION—Investments and Liquidity— Liquidity and Days Cash on Hand" showing the Obligated Group's liquidity position and days cash on hand; (vii) "FINANCIAL INFORMATION—Capitalization and Debt Service Coverage—Outstanding Debt" showing the Obligated Group's outstanding debt position (however, such information shall not include any pro forma information); and (viii) "FINANCIAL INFORMATION—Capitalization and Debt Service Coverage—Obligated Group Maximum Annual Debt Service Coverage" showing the Obligated Group's coverage of maximum annual debt service (however, such information shall not include any pro forma maximum annual debt service or pro forma maximum annual debt service coverage).

B. Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA on or before 150 days following the close of the Corporation's fiscal year (currently September 30) (the *"Annual Filing Deadline Date"*), commencing with the fiscal year ending September 30, 2025.

C. Audited Financial Statements as described in Part II are to be filed at the same time as the Annual Financial Information described in this Part I. If, however, the Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and the Audited Financial Statements shall be filed within 30 days after they are available to the Corporation, as provided in Part II(B) below.

II. Audited Financial Statements

A. The Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States (*"GAAP"*).

B. Date by which Audited Financial Statements will be submitted to EMMA: later of 150 days following the close of the Corporation's fiscal year (currently September 30), or within 30 days after they are available to the Corporation, commencing with the fiscal year ended September 30, 2025.

III. Quarterly Financial Statements

A. The Quarterly Financial Statements will be prepared in accordance with GAAP in all material respects, except that footnote disclosures required by GAAP may be omitted.

B. Date by which Quarterly Financial Statements will be submitted to EMMA: within 60 days after the end of each of the first three fiscal quarters (the *"Quarterly Filing Deadline Date"*), commencing with the fiscal quarter ending March 31, 2025.

IV. If any change is made to the Annual Financial Information, as permitted by Section 4 of the Agreement, the Corporation will, or will cause the Dissemination Agent to, disseminate a notice of such change as required by Section 4.

V. Notwithstanding anything in this *Exhibit A* to the contrary, if any Annual Filing Deadline Date or Quarterly Filing Deadline Date shall be a day that is not a Business Day, then the filing to be submitted on such date need not be made on such date but may be made on the next succeeding Business Day with the same effect as if done on the Annual Filing Deadline Date or Quarterly Filing Deadline Date provided herein.

VI. The Corporation may adjust the Annual Filing Deadline Date, date by which Audited Financial Statements will be submitted, and Quarterly Filing Deadline Dates if the Corporation changes its fiscal year by providing written notice of the change of fiscal year and the new Annual Filing Deadline Date, date by which Audited Financial Statements will be submitted, and Quarterly Filing Deadline Dates to the Dissemination Agent, if any, and EMMA; provided that (i) the new Annual Filing Deadline Date shall be 150 days after the end of the new fiscal year, (ii) the new date by which Audited Financial Statements will be submitted shall be the later of 150 days following the close of the Corporation's new fiscal year or within 30 days after they are available to the Corporation, and (iii) the new Quarterly Filing Deadline Dates shall be within 60 days after the end of each of the first three new fiscal quarters of the Corporation. Any such adjustment pursuant to this Part VI shall not constitute an amendment under Section 8 of the Agreement.

EXHIBIT B

EVENTS FOR WHICH REPORTABLE EVENT DISCLOSURE IS REQUIRED

A Reportable Event means any one or more of the following with respect to the Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of the holders of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar events of any Member of the Obligated Group (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for a Member of the Obligated Group in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of a Member of the Obligated Group, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of a Member of the Obligated Group);

(xiii) The consummation of a merger, consolidation, or acquisition involving a Member of the Obligated Group or the sale of all or substantially all of the assets of a

Member of the Obligated Group, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a Financial Obligation of a Member of the Obligated Group, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms (including debt service schedules) of a Financial Obligation of a Member of the Obligated Group, any of which affect security holders, if material; and

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of a Member of the Obligated Group, any of which reflect financial difficulties.

EXHIBIT C

CUSIP NUMBERS

$395,170,000
IDAHO HEALTH FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2025A
(ST. LUKE'S HEALTH SYSTEM PROJECT)
(FIXED RATE)

MARCH 1 OF THE YEAR	PRINCIPAL AMOUNT	CUSIP NUMBER
2026	$1,050,000	451295E62
2027	1,210,000	451295E70
2028	1,375,000	451295E88
2029	1,565,000	451295E96
2030	1,755,000	451295F20
2031	4,300,000	451295F38
2032	2,225,000	451295F46
2033	11,925,000	451295F53
2034	12,605,000	451295F61
2035	17,065,000	451295F79
2036	10,075,000	451295F87
2037	10,570,000	451295F95
2038	11,090,000	451295G29
2039	15,175,000	451295G37
2040	17,670,000	451295G45
2041	18,835,000	451295G52
2042	20,055,000	451295G60
2043	21,360,000	451295G78
2044	22,755,000	451295G86
2045	5,985,000	451295G94
2050	57,275,000	451295H28
2053	69,250,000	451295H36
2053	60,000,000	451295H44

$92,510,000
IDAHO HEALTH FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2025B
(ST. LUKE'S HEALTH SYSTEM PROJECT)
(TERM RATE)

MARCH 1 OF THE YEAR	PRINCIPAL AMOUNT	CUSIP NUMBER
2060	$92,510,000	451295H51

$91,405,000
IDAHO HEALTH FACILITIES AUTHORITY
REVENUE BONDS, SERIES 2025C
(ST. LUKE'S HEALTH SYSTEM PROJECT)
(TERM RATE)

MARCH 1 OF THE YEAR	PRINCIPAL AMOUNT	CUSIP NUMBER
2060	$91,405,000	451295H69

$125,850,000
IDAHO HEALTH FACILITIES AUTHORITY
VARIABLE RATE REVENUE BONDS, SERIES 2025D
(ST. LUKE'S HEALTH SYSTEM PROJECT)
(DAILY RATE)

MARCH 1 OF THE YEAR	PRINCIPAL AMOUNT	CUSIP NUMBER
2060	$125,850,000	451295E47

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APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("*DTC*"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate for each maturity of the Bonds will be issued, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults and proposed amendments to bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 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 Bond Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 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 Bond Trustee 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption prices on the 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 Bond Trustee on a 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, the Bond Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption prices to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Bond Trustee, disbursement of such payments to Direct Participants will be 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 as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Bond Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The preceding information has been provided by DTC. No representation is made by the Authority, the Bond Trustee, the Obligated Group or the Underwriters as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

Prior to any discontinuation of the book-entry only system described above, the Authority and the Bond Trustee may treat DTC as, and deem DTC to be, the absolute owner of the Bonds for all purposes whatsoever, including, without limitation, (i) the payment of principal of, premium, if any, and interest on the Bonds, (ii) giving notices of redemption and other matters with respect to the Bonds, (iii) registering transfers with respect to the Bonds and (iv) the selection of Bonds of the same maturity for redemption. Under the Bond Indentures, payments made by the Bond Trustee to DTC or its nominee will satisfy the Authority's obligations under the Bond Indentures and the Corporation's obligations under the Loan Agreements and on the Series 2025A/B/C Obligations, to the extent of the payments so made.

NEITHER THE AUTHORITY, THE OBLIGATED GROUP, THE BOND TRUSTEE NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION WITH RESPECT TO (I) THE ACCURACY OF THE RECORDS OF DTC, ITS NOMINEE OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT WITH RESPECT TO ANY BENEFICIAL OWNERSHIP INTEREST IN ANY BOND, (II) THE DELIVERY TO ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN AN OWNER, AS SHOWN IN THE RELATED BOND REGISTER, OF ANY NOTICE WITH RESPECT TO ANY BOND, INCLUDING, WITHOUT LIMITATION, ANY NOTICE OF REDEMPTION, (III) THE PAYMENT TO ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OR ANY OTHER PERSON OTHER THAN THE OWNER OF A BOND, AS SHOWN IN THE RELATED BOND REGISTER, OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON SUCH BOND OR (IV) ANY CONSENT GIVEN BY DTC AS REGISTERED OWNER.

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Product group from well managed forests, controlled sources and recycled wood or fiber.

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