NEW ISSUE **See "RATINGS" herein.**
BOOK-ENTRY ONLY

Subject to compliance by the Authority and the Borrowers with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Series 2009C Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. ***See the heading "TAX EXEMPTION" herein.***

$330,390,000
Kansas Development Finance Authority
Hospital Revenue Bonds, Series 2009C
(Adventist Health System/Sunbelt Obligated Group)

Dated: Date of Issuance **Due: November 15, as set forth on the inside cover**

The Series 2009C Bonds will be limited obligations of the Authority and, except to the extent payable from Series 2009C Bond proceeds or moneys derived from investment thereof and certain insurance and condemnation proceeds, will be payable solely from and secured by pledges of payments made by the Obligated Group, as defined herein. The proceeds of the Series 2009C Bonds will be used, together with certain other moneys, (i) to finance or refinance certain costs of the acquisition, construction, renovation and equipping of certain health care and related facilities of certain of the Borrowers (as defined herein) and (ii) to refund the Prior Bonds (as defined herein under "PLAN OF FINANCING").

Interest on the Series 2009C Bonds is payable semiannually on each May 15 and November 15, commencing on November 15, 2009. The Series 2009C Bonds are issuable only in registered form, and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, an automated depository for securities and clearing house for securities transactions. DTC will act as securities depository for the Series 2009C Bonds. Individual purchases will be made in book-entry form only in denominations of $5,000 or any integral multiple thereof. Purchasers of the Series 2009C Bonds will not receive certificates representing their interests in the Series 2009C Bonds purchased. So long as DTC or its nominee is the registered owner of the Series 2009C Bonds, payment of the principal of, premium, if any, and interest on the Series 2009C Bonds will be made directly by U.S. Bank National Association, as Bond Trustee for the Series 2009C Bonds, to DTC, which will in turn remit such payments to its Participants, which will in turn remit such payments to the Beneficial Owners of the Series 2009C Bonds as described herein.

Maturities, Principal Amounts, Interest Rates
Prices or Yields and CUSIPs as set forth on the inside cover

THE SERIES 2009C BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF KANSAS OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE OF KANSAS CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND DO NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OF KANSAS OR OF ANY POLITICAL SUBDIVISION THEREOF OR OF THE AUTHORITY, BUT ARE PAYABLE SOLELY FROM AND OUT OF THE EXCLUSIVE SOURCES SPECIFIED IN THE BOND INDENTURE AND OTHERWISE DO NOT IMPOSE ANY LIABILITY WHATSOEVER, PRIMARY OR OTHERWISE, UPON THE STATE OF KANSAS OR ANY CHARGE UPON ITS GENERAL CREDIT OR TAXING POWER.

The Series 2009C Bonds are offered when, as and if issued by the Authority and received by the Underwriters, subject to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel. Certain legal matters will be passed upon for the Authority by its special counsel, Kutak Rock LLP, Omaha, Nebraska, for the Obligated Group by its counsel, GrayRobinson, P.A., Orlando, Florida, and for the Underwriters by their special counsel, Sonnenschein Nath & Rosenthal LLP, Chicago, Illinois. Subject to prevailing market conditions, the Underwriters intend, but are not obligated, to make a market in the Series 2009C Bonds. It is not anticipated that any other secondary market will develop for the Series 2009C Bonds. For detail of the Underwriters' compensation, see "UNDERWRITING" herein. It is expected that the Series 2009C Bonds in definitive form will be available for delivery through the facilities of DTC on or about July 8, 2009.

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

ZIEGLER CAPITAL MARKETS
a division of B.C. Ziegler and Company

J.P.Morgan

Citi

MERRILL LYNCH & CO.

The date of this Official Statement is June 11, 2009

SERIES 2009C BONDS
MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES OR YIELDS AND CUSIPS

Maturity November 15	Principal Amount	Interest Rate	Yield	CUSIPs
2010	$5,955,000	2.000%	2.000%	48542ABE0
2011	3,655,000	3.000	2.700	48542ABF7
2011	1,845,000	4.000	2.700	48542ABY6
2012	1,745,000	3.000	3.100	48542ABG5
2012	3,415,000	4.000	3.100	48542ABZ3
2013	815,000	3.350	3.450	48542ABH3
2013	4,390,000	4.000	3.450	48542ACA7
2014	455,000	3.750	3.830	48542ABJ9
2014	5,000,000	4.500	3.830	48542ACB5
2015	3,475,000	4.000	4.070	48542ABK6
2015	2,260,000	4.500	4.070	48542ACC3
2016	1,235,000	4.150	4.320	48542ABL4
2016	4,810,000	5.000	4.320	48542ACD1
2017	300,000	4.300	4.530	48542ABM2
2017	5,765,000	5.000	4.530	48542ACE9
2018	1,085,000	4.500	4.720	48542ABN0
2018	5,365,000	5.000	4.720	48542ACF6
2019	2,425,000	4.650	4.870	48542ABP5
2019	4,425,000	5.250	4.870	48542ACG4
2020	385,000	4.800	5.020	48542ABQ3
2020	6,895,000	5.250	5.020*	48542ACH2
2021	1,230,000	5.000	5.150	48542ABR1
2021	6,510,000	5.250	5.150*	48542ACJ8
2022	3,295,000	5.000	5.270	48542ABS9
2022	5,470,000	5.500	5.270*	48542ACK5
2023	1,250,000	5.150	5.350	48542ABT7
2023	2,000,000	5.000	5.350	48542ACM1
2023	9,950,000	5.500	5.350*	48542ACL3
2024	13,530,000	5.250	5.500	48542ABU4

* Yield to call date

$58,910,000 5.500% Term Bonds Due November 15, 2029 Price 97.601% to Yield 5.700% CUSIP 48542ABV2
$35,375,000 5.750% Term Bonds Due November 15, 2034 Price 97.390% to Yield 5.950% CUSIP 48542ABW0
$127,170,000 5.750% Term Bonds Due November 15, 2038 Price 97.231% to Yield 5.950% CUSIP 48542ABX8

IN CONNECTION WITH THE OFFERING OF THE SERIES 2009C BONDS, THE UNDERWRITERS (AS DEFINED HEREIN) MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2009C BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesperson or other person has been authorized by the Authority, any Member of the Obligated Group or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. 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, its 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. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of, the Series 2009C Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Official Statement has been furnished by the Members of the Obligated Group, the Authority, DTC, and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

Neither the Authority, its counsel, nor any of its members, agents, employees or representatives have reviewed this Official Statement or investigated the statements or representations contained herein, except for those statements applicable to them set forth under the captions "INTRODUCTORY STATEMENT – The Authority," "THE AUTHORITY" or "ABSENCE OF MATERIAL LITIGATION – The Authority" herein. Except with respect to such information, neither the Authority, its counsel, nor any of its members, agents, employees or representatives make any representation as to the completeness, sufficiency and truthfulness of the statements set forth in this Official Statement. Members of the Authority and any other persons executing the Series 2009C Bonds are not subject to personal liability by reason of the issuance of the Series 2009C Bonds.

The CUSIP numbers are included in this Official Statement for the convenience of the Bondholders and potential Bondholders of the Series 2009C Bonds. No assurance can be given that the CUSIP number for a particular maturity of Series 2009C Bonds will remain the same after the date of issuance of the Series 2009C Bonds.

THE SERIES 2009C BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE BOND INDENTURE AND THE MASTER INDENTURE HAVE NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2009C BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF LAWS OF THE STATES IN WHICH SERIES 2009C BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON

THE MERITS OF THE SERIES 2009C BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Forward-Looking Statements

This Official Statement contains disclosures which contain "forward-looking statements." Forward-looking statements include all statements that do not relate solely to historical or current fact, and can be identified by use of words like "may," "believe," "will," "expect," "project," "estimate," "anticipate," "plan," "pro forma," or "continue." These forward-looking statements are based on the current plans and expectations of the Obligated Group and are subject to a number of known and unknown uncertainties and risks inherent in the operation of health care facilities, many of which are beyond the Obligated Group's control, that could significantly affect current plans and expectations and the Obligated Group's future financial position and results of operations. These factors include, but are not limited to, (i) the highly competitive nature of the health care business, (ii) the efforts of insurers, health care providers and others to contain health care costs, (iii) possible changes in the Medicare and Medicaid programs that may impact reimbursements to health care providers and insurers, (iv) changes in federal, state or local regulations affecting the health care industry, (v) the possible enactment of federal or state health care reform, (vi) the ability to attract and retain qualified management and other personnel, including affiliated physicians, nurses and medical support personnel, (vii) liabilities and other claims asserted against the Obligated Group, (viii) changes in accounting standards and practices, (ix) changes in general economic conditions, (x) future divestitures or acquisitions which may result in additional charges, (xi) changes in revenue mix and the ability to enter into and renew managed care provider arrangements on acceptable terms, (xii) the availability and terms of capital to fund future expansion plans of the Obligated Group and to provide for ongoing capital expenditure needs, (xiii) changes in business strategy or development plans, (xiv) delays in receiving payments as a result of state budget constraints, (xv) the ability to implement shared services and other initiatives and realize decreases in administrative, supply and infrastructure costs, (xvi) the outcome of pending and any future litigation, (xvii) the Obligated Group's continuing efforts to monitor, maintain and comply with appropriate laws, regulations, policies and procedures relating to the status of the Members of the Obligated Group as tax-exempt organizations as well as their ability to comply with the requirements of Medicare and Medicaid programs, (xviii) the ability to achieve expected levels of patient volumes and control the costs of providing services, (xix) results of reviews of cost reports, and (xx) the Obligated Group's ability to comply with recently enacted legislation and/or regulations. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ from those expressed in any forward-looking statements made by or on behalf of the Obligated Group. Investors are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this Official Statement, including ***APPENDIX A***.

Information provided by the Obligated Group for interim reporting periods should not be taken as being indicative of full year results for many of the reasons set forth above.

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Hospital Revenue Bonds, Series 2009C
(Adventist Health System/Sunbelt Obligated Group)

INTRODUCTORY STATEMENT

General

This Official Statement, including the cover page, the immediately succeeding pages and the Appendices hereto (the "Official Statement"), is provided to furnish information with respect to the sale and delivery of $330,390,000 aggregate principal amount of Hospital Revenue Bonds, Series 2009C (Adventist Health System/Sunbelt Obligated Group) (the "Series 2009C Bonds") of the Kansas Development Finance Authority (the "Authority"). Definitions of other capitalized terms used but not defined in the forepart of this Official Statement are set forth in ***APPENDIX C*** hereto.

Purpose of the Series 2009C Bonds

The proceeds of the Series 2009C Bonds will be used, together with certain other moneys, (i) to finance or refinance certain costs of the acquisition, construction, renovation and equipping of certain health care and related facilities of certain of the Borrowers (as defined herein) and (ii) to refund the Prior Bonds (as defined herein under "PLAN OF FINANCING"). See "ESTIMATED SOURCES AND USES OF FUNDS" and "PLAN OF FINANCING" herein.

The Authority

The Authority is an independent instrumentality of the State of Kansas exercising essential public functions, created in 1987 by K.S.A. 74-8901 *et seq*., as amended (the "KDFA Act"). See "THE AUTHORITY" herein.

The Obligated Group and the Master Indenture

Adventist Bolingbrook Hospital ("Bolingbrook"), an Illinois not-for-profit corporation, Adventist GlenOaks Hospital ("GlenOaks"), an Illinois not-for-profit corporation, Adventist Health System Georgia, Inc. ("AHS/Georgia"), a Georgia nonprofit corporation, Adventist Health System/Sunbelt, Inc. ("Sunbelt"), a Florida not-for-profit corporation, Adventist Hinsdale Hospital ("Hinsdale"), an Illinois not-for-profit corporation, Chippewa Valley Hospital & Oakview Care Center, Inc. ("Chippewa"), a Wisconsin nonprofit, nonstock corporation, Fletcher Hospital, Incorporated ("Fletcher"), a North Carolina nonprofit corporation, Florida Hospital Waterman, Inc. ("Waterman"), a Florida not-for-profit corporation, Florida Hospital Zephyrhills, Inc. ("Zephyrhills"), a Florida not-for-profit corporation, Jellico Community Hospital, Inc. ("Jellico"), a Tennessee nonprofit corporation, Memorial Health Systems, Inc. ("MHS"), a Florida not-for-profit corporation, Memorial Hospital, Inc. ("Memorial"), a Kentucky nonprofit corporation, Memorial Hospital – Flagler, Inc. ("Flagler"), a Florida not-for-profit corporation, Memorial Hospital – West Volusia, Inc. ("West Volusia"), a Florida not-for-profit corporation, PorterCare Adventist Health System ("PorterCare"), a Colorado nonprofit corporation, Shawnee Mission Medical Center, Inc. ("Shawnee Mission"), a Kansas nonprofit corporation, and Southwest Volusia Healthcare Corporation ("SVHC"), a Florida not-for-profit corporation (individually, a "Member," and collectively, the "Obligated Group"), have entered into the Amended and Restated Master Trust Indenture dated as of May 1, 1995 (as amended and supplemented from time to time, the "Master Indenture") by and among each Member of the Obligated Group and U.S. Bank National Association, as successor trustee (the "Master Trustee"). Additional entities may become Members of the Obligated

Group and any Member (other than Sunbelt) may cease to be a Member of the Obligated Group, all in accordance with the provisions of the Master Indenture. Pursuant to the Master Indenture, Sunbelt has certain authority to act for the Obligated Group as the Group Representative.

Each Member of the Obligated Group is jointly and severally liable on all Notes outstanding under the Master Indenture and all Notes to be issued thereunder in the future for the benefit of any Member of the Obligated Group, including the Series 2009C Notes described below. As used herein, unless the context indicates otherwise, the term "Notes" shall refer to all Notes currently outstanding and to be issued under the Master Indenture.

See ***APPENDIX A*** hereto for information on the governance and operations of the Obligated Group, including a description of the hospitals and other health care facilities owned or leased and operated by the Obligated Group and the reserved rights granted to Health Care (as defined below) and Sunbelt. See ***APPENDIX B*** hereto for audited combined financial statements of the Obligated Group as of December 31, 2008 and 2007 and for the years then ended. See ***APPENDIX A*** for information on how to access unaudited combined interim financial statements of the Obligated Group as of March 31, 2009 and for the three-month periods ended March 31, 2009 and 2008. Such information is incorporated herein by reference. Adventist Health System Sunbelt Healthcare Corporation, a Florida not-for-profit corporation ("Health Care"), controls, directly or indirectly, each Member of the Obligated Group. Health Care is not a Member of the Obligated Group and has no obligation to make any payments related to the Series 2009C Bonds.

Although the Obligated Group follows the missions and goals of the Seventh-day Adventist Church (the "Church"), the Church is not directly or indirectly responsible for any payments related to the Series 2009C Bonds. The Obligated Group is not liable for the debt of any other Person except to the extent described in this Official Statement, including ***APPENDIX A*** and ***APPENDIX B*** hereto. NEITHER HEALTH CARE, THE CHURCH NOR ANY OTHER PERSON, EXCEPT THE OBLIGATED GROUP, IS LEGALLY LIABLE FOR THE COMMITMENTS OF THE OBLIGATED GROUP WITH RESPECT TO THE SERIES 2009C BONDS BEING OFFERED BY THIS OFFICIAL STATEMENT, THE LOAN AGREEMENTS, THE SERIES 2009C NOTES, THE BOND INDENTURE OR THE MASTER INDENTURE.

Security for the Series 2009C Bonds

The Series 2009C Bonds will be issued under a Trust Indenture dated as of July 1, 2009 (the "Bond Indenture") between the Authority and U.S. Bank National Association, as bond trustee (the "Bond Trustee"). Concurrently with the issuance of the Series 2009C Bonds, the Authority will enter into separate Loan Agreements, each dated as of July 1, 2009 (collectively, the "Loan Agreements"), with certain Members of the Obligated Group who will borrow proceeds of the Series 2009C Bonds (collectively, the "Borrowers"). Pursuant to the Loan Agreements, the Authority will loan the proceeds of the Series 2009C Bonds to the Borrowers. The Loan Agreements obligate the Obligated Group to issue pursuant to the Master Indenture one promissory note for each loan of Series 2009C Bond proceeds to a Borrower (collectively, the "Series 2009C Notes"). The Series 2009C Notes will be issued in an aggregate principal amount which will equal the aggregate principal amount of the Series 2009C Bonds and will evidence the respective obligations of the Borrowers to repay the loans made pursuant to the Loan Agreements. The payments required on the Series 2009C Notes are intended to be sufficient, together with other moneys available therefor, to make payments, when due, of the principal of, and interest on, the Series 2009C Bonds. Payments to be made by the Obligated Group pursuant to each Series 2009C Note shall constitute repayment of the corresponding loan made under the corresponding Loan Agreement.

The Authority will pledge and assign to the Bond Trustee (a) all right, title and interest of the Authority in and to the Series 2009C Notes and the payments to be received by the Authority thereon, (b) all right, title and interest of the Authority in and to the Loan Agreements, except the Unassigned Rights, and (c) all right, title and interest of the Authority in and to all moneys and investments held under the Bond Indenture (except for amounts held in the Purchase Fund and the Rebate Fund) (collectively, the "Pledge and Assignment"). The Pledge and Assignment by the Authority ratably secures the Series 2009C Bonds. The Series 2009C Bonds are limited obligations of the Authority and, except to the extent payable from the proceeds of the Series 2009C Bonds or the Pledge and Assignment, are payable solely from payments under the Series 2009C Notes held by the Bond Trustee. The Series 2009C Notes, as well as any other Notes, are full and unlimited joint and several obligations of each Member of the Obligated Group. See "PLAN OF FINANCING" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009C BONDS" herein.

The Master Indenture creates two classes of Notes known as the "Class A Notes" and the "Class B Notes" which will have the benefit of particular covenants to be known as the "Class A Covenants" and the "Class B Covenants." All Notes are governed by the provisions of the Master Indenture other than the Class A Covenants and the Class B Covenants. The Class A Notes have the benefit of the Class A Covenants, but not of the Class B Covenants. The Class B Notes also have the benefit of the Class A Covenants, plus the benefit of the Class B Covenants. Except for the Class A and Class B Covenants, all Notes are equally and ratably secured by the Master Indenture. **The Series 2009C Notes are Class A Notes.** Any Series 2009C Note may be exchanged for a Class B Note under certain circumstances. See "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS - The Notes and the Master Indenture" in ***APPENDIX C*** hereto for a description of the Class A Covenants and the Class B Covenants. See "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS – The Loan Agreements -- Exchange of Notes" and "– The Bond Indenture -- Exchange of Notes" for a description of the conditions under which Notes can be exchanged.

Supplemental Indenture Number 176, dated as of July 1, 2009 ("Supplemental Indenture Number 176") between the Obligated Group and the Master Trustee, pursuant to which the Series 2009C Notes will be issued, also contains certain amendments (the "Amendments") to the Master Indenture which require the consent of the Original Bond Insurers (as defined in ***APPENDIX C*** hereto) and of at least 51% in aggregate principal amount of Notes then Outstanding under the Master Indenture. The Amendments will become immediately effective without any notice once the required consents have been obtained. By purchasing the Series 2009C Bonds, the holders thereof shall be deemed to have consented to the Amendments. See "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS – Summary of Certain Provisions of Supplemental Master Indenture Number 176" in ***APPENDIX C*** hereto for a description of the Amendments.

Outstanding Indebtedness

As of December 31, 2008, there were $3,263,675,000 in principal amount of Notes outstanding under the Master Indenture (not including Notes issued to credit enhancers issuing Support Facilities for bonds). The Obligated Group also had approximately $24,505,000 in principal amount of indebtedness outstanding not under the Master Indenture. In April 2009, the Obligated Group issued an additional $10,000,000 in Notes (the "Series 2009 A/B Notes") to support tax-exempt Bonds. The Obligated Group may also at any time issue additional indebtedness and Notes in accordance with the provisions of the Master Indenture. See "THE NOTES AND THE MASTER INDENTURE – Permitted Indebtedness" in ***APPENDIX C.***

Sunbelt also maintains a program for the continuous sale of its and certain other Members of the Obligated Group's patient accounts receivable which is not shown as indebtedness on its balance sheet. See "BONDHOLDERS' RISKS – Sale of Receivables Program" herein for more information regarding Sunbelt's Receivables Program. See the audited combined financial statements of the Obligated Group in ***APPENDIX B*** (including note 1), "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009C BONDS – The Master Indenture and the Series 2009C Notes," and the Pro Forma Financial Ratios and Aggregate Debt Service charts herein for more information on the receivables program and the outstanding indebtedness.

Bond Insurer Covenants Related to Other Series of Bonds

The scheduled payment of principal and interest on certain outstanding series of bonds issued for the benefit of the Obligated Group (collectively, the "Insured Bonds") are supported by bond insurance policies issued by certain bond insurers (the "Bond Insurers"). So long as the Bond Insurers have not lost their rights under the respective bond indentures pursuant to which the Insured Bonds were issued and are outstanding, the related Bond Insurer has the right to act on its own behalf or in lieu of the related bondholders with respect to consent, control and direction of certain matters described in such bond indentures. The Master Indenture contains certain covenants and restrictions solely for the benefit of the Bond Insurers. These covenants and restrictions may be waived, modified or amended by the applicable Bond Insurers in their sole discretion and where applicable, the Obligated Group, and without notice to or consent by the bond trustee for the Insured Bonds, the Bond Trustee, the Master Trustee, the holders of the Insured Bonds, the holders of the Series 2009C Bonds, the holders of any Notes, the holders of any Series 2009C Notes or any other Person. Violation of any of such covenants will result in an Event of Default under the Master Indenture which could result in acceleration of all of the Notes, including the Series 2009C Notes. **The Series 2009C Bonds being offered hereby are not insured by any bond insurance policy.** Under certain circumstances, a bond insurance policy of a Bond Insurer may cease to be in effect and in such case the related covenants granted solely to such Bond Insurer in connection with such bond insurance policy will be terminated, unless such Bond Insurer insures other Related Bonds, in which instance such covenants will remain in effect. See "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS – The Notes and the Master Indenture," "– Additional Covenants and Restrictions under the Master Indenture for the Benefit of FSA," "– Additional Covenants and Restrictions under the Master Indenture for the Benefit of the Series 2006A Bond Insurer" and "– Additional Covenants and Restrictions under the Master Indenture for the Benefit of MBIA" in ***APPENDIX C*** attached hereto.

Conversion of the Series 2009C Bonds

On or after November 15, 2019, with respect to all Series 2009C Bonds other than those maturing on November 15, 2034, and on or after November 15, 2014, with respect to the Series 2009C Bonds maturing on November 15, 2034 (in each case on the date or dates prescribed in the Bond Indenture), the Series 2009C Bonds are not required to all operate in the same Rate Period at any time, and all or a portion of the Series 2009C Bonds may be converted from operating in an initial Fixed Rate Period to operating in a Flexible, Daily, Weekly, One Month, Six Month, One Year or Multiple Year Rate Period (each as defined in the Bond Indenture) or may be changed to ARS Rate Bonds bearing interest at auction rates of interest (as described in the Bond Indenture, the "Auction Rate"), any such conversion or change being at the Obligated Group's discretion or direction. Not less than 15 days prior to any such conversion or 10 days prior to any such change of all or a portion of the Series 2009C Bonds from an initial Fixed Rate Period commencing on the date of issuance of the Series 2009C Bonds, the Bond Trustee will provide notice of such conversion or change to Bondholders whose Series 2009C Bonds will be converted or changed. THE DATE ON WHICH ANY SERIES 2009C BONDS ARE CONVERTED OR CHANGED WILL BE A MANDATORY TENDER DATE FOR SUCH SERIES 2009C BONDS. In addition, prior to any such conversion or change, the Bond Trustee shall have received consent to such conversion or change from the holders of a majority in principal amount of each maturity of the Series 2009C Bonds being converted or changed. The Series 2009C Bonds to be converted or changed are required to be tendered for purchase at the Tender Price on the mandatory tender date. See "THE SERIES 2009C BONDS – Conversion" herein.

Use of This Official Statement

This Official Statement only discusses Series 2009C Bonds in the initial Fixed Rate Periods for the Series 2009C Bonds. It is intended to be used only for Series 2009C Bonds that are (i) operating in an initial Fixed Rate Period and (ii) not secured by a Support Facility. This Official Statement should not be relied upon in determining whether to purchase Series 2009C Bonds that are (i) not operating in an initial Fixed Rate Period and/or (ii) secured by a Support Facility. At the time the interest rate on all or a portion of the Series 2009C Bonds is converted or changed, or if a Support Facility is provided to secure all or a portion of the Series 2009C Bonds, additional disclosure will be provided to the Bondholders purchasing the converted or changed Series 2009C Bonds or the Series 2009C Bonds entitled to the benefit of such Support Facility, as the case may be.

Bondholders' Risks

There are risks associated with the purchase of Series 2009C Bonds. See the caption "BONDHOLDERS' RISKS" herein for a discussion of some of these risks.

Book-Entry Only

See "BOOK-ENTRY SYSTEM" herein for an explanation of DTC and the depository system which will apply to the Series 2009C Bonds.

Underlying Documents

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document. Copies of the Bond Indenture, the Loan Agreements, the Master Indenture, and the Disclosure Agreement (as defined herein) will be available for inspection following the issuance of the Series 2009C Bonds at the corporate trust office of the Bond Trustee in Orlando, Florida. The appendices attached hereto are integral parts of this Official Statement and are incorporated herein by reference.

PLAN OF FINANCING

Use of Proceeds

The proceeds of the Series 2009C Bonds will be used, together with certain other moneys, (i) to finance or refinance certain costs of the acquisition, construction, renovation and equipping of certain health care and related facilities of certain of the Borrowers and (ii) to refund the Prior Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Current Refunding of the Prior Bonds

The Prior Bonds will consist of the following bonds: (a) the Highlands County Health Facilities Authority (the "Highlands Authority") Variable Rate Demand Revenue Bonds (Adventist Health

System/Sunbelt), Series 1996-A (the “Highlands Series 1996-A Bonds”), outstanding as of July 1, 2009 in the aggregate principal amount of $54,990,000; (b) the Highlands Authority Variable Rate Demand Revenue Bonds (Adventist Health System/Sunbelt), Series 1997-A (the “Highlands Series 1997-A Bonds”), outstanding as of July 1, 2009 in the aggregate principal amount of $46,335,000; (c) the Health and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson County, Tennessee (the “Nashville Authority”) Variable Rate Demand Revenue Bonds (Adventist Health System/Sunbelt), Series 1996-A (the “Nashville Series 1996-A Bonds”), outstanding as of July 1, 2009 in the aggregate principal amount of $3,725,000; (d) the Nashville Authority Variable Rate Demand Revenue Bonds (Adventist Health System/Sunbelt), Series 1997-A (the “Nashville Series 1997-A Bonds”), outstanding as of July 1, 2009 in the aggregate principal amount of $1,800,000; (e) the Tarrant County Health Facilities Development Corporation (the “Tarrant Authority”) Variable Rate Demand Revenue Bonds (Adventist Health System/Sunbelt), Series 1996-A (the “Tarrant Series 1996-A Bonds”), outstanding as of July 1, 2009 in the aggregate principal amount of $8,845,000; (f) the Tarrant Authority Variable Rate Demand Revenue Bonds (Adventist Health System/Sunbelt), Series 1997-A (the “Tarrant Series 1997-A Bonds”), outstanding as of July 1, 2009 in the aggregate principal amount of $5,555,000; (g) the Hospital Authority of Gordon County (the “Gordon Authority”) Variable Rate Demand Revenue Anticipation Certificates (Adventist Health System/Sunbelt), Series 1996-A (the “Gordon Series 1996-A Bonds”), outstanding as of July 1, 2009 in the aggregate principal amount of $690,000; (h) the Gordon Authority Variable Rate Demand Revenue Anticipation Certificates (Adventist Health System/Sunbelt), Series 1997-A (the “Gordon Series 1997-A Bonds”), outstanding as of July 1, 2009 in the aggregate principal amount of $1,070,000; (i) the Kentucky Economic Development Finance Authority Variable Rate Demand Revenue Bonds (Adventist Health System/Sunbelt), Series 1997-A (the “Kentucky Series 1997-A Bonds”), outstanding as of July 1, 2009 in the aggregate principal amount of $1,200,000; (j) the Highlands Authority Hospital Revenue Bonds, Series 2003A (Adventist Health System/Sunbelt Obligated Group) (the “Highlands Series 2003A Bonds”), outstanding as of July 1, 2009 in the aggregate principal amount of $75,000,000; and (k) the Highlands Authority Hospital Revenue Bonds, Series 2008B (Adventist Health System/Sunbelt Obligated Group) maturing in 2038 (the “Highlands Series 2008B Bonds”), outstanding as of July 1, 2009 in the aggregate principal amount of $125,000,000.

Proceeds of the Series 2009C Bonds will be deposited with U.S. Bank National Association, as bond trustee for each series of the Prior Bonds (the “Prior Bonds Trustee”). The Prior Bonds Trustee shall apply such funds together with other moneys to redeem each series of the Prior Bonds within 30 days of issuance of the Series 2009C Bonds.

THE AUTHORITY

The Authority is an independent instrumentality of the State of Kansas exercising essential public functions, created in 1987 by the KDFA Act. The Authority was created for the primary purposes of enhancing the ability of the State of Kansas to finance capital improvements and improving access to long-term financing for State of Kansas agencies, political subdivisions, public and private organizations and businesses. The Authority is also authorized to issue bonds for the purpose of financing healthcare facilities and certain other projects enumerated by statute, whether located within or outside the State of Kansas. The Authority may issue bonds to finance a project outside the State of Kansas only if the issuance is determined to provide a benefit to Kansas or its people and if it is determined that the owner or operator of that project or an affiliate has a presence or impact in Kansas. The Authority will make these determinations with respect to the Series 2009C Bonds being issued for the projects located outside the State of Kansas that are being financed or refinanced with the Series 2009C Bonds.

The powers of the Authority are vested in its Board of Directors, consisting of five public members appointed by the Governor of Kansas subject to confirmation by the Kansas State Senate. The Governor of Kansas also appoints a President who serves at the pleasure of the Governor. The President is an *ex officio*, nonvoting member of the Board of Directors. Not less than three members of the Board of Directors must be representatives of the general public, and not more than three members may be members of the same political party. Members of the Board of Directors serve until their successors are appointed by the Governor of Kansas and confirmed by the Kansas State Senate. The Authority's General Counsel serves as Secretary to the Authority.

The Authority has the rights, powers and privileges and is subject to the duties provided by the KDFA Act creating it, including the acquisition and disposal of real and personal property for its corporate purposes; the borrowing of money and issuance of notes, bonds and other obligations; the making of secured or unsecured loans for any of the purposes for which it may issue bonds (except making loans directly to individuals to finance housing developments); the provision of technical assistance and advice to the State of Kansas or political subdivisions of the State of Kansas; and entering into contracts with the State of Kansas or political subdivisions thereof to provide such services.

The Series 2009C Bonds offered hereby are separately secured from all other bonds and notes issued by the Authority. No recourse shall be had for the payment of the principal of or premium or interest on any of the Series 2009C Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Bond Indenture or any other Authority document contained, against any past, present or future officer, director, member, trustee, employee or agent of the Authority, or any officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Authority or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Bond Indenture and the issuance of any of the Series 2009C Bonds.

EXCEPT FOR INFORMATION CONCERNING THE AUTHORITY UNDER "INTRODUCTORY STATEMENT – THE AUTHORITY," "THE AUTHORITY" AND "ABSENCE OF MATERIAL LITIGATION – THE AUTHORITY" HEREIN, NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE AUTHORITY AND THE AUTHORITY MAKES NO REPRESENTATIONS OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE SERIES 2009C BONDS

Description

The Series 2009C Bonds are being issued by the Authority pursuant to the provisions of the Bond Indenture. The Series 2009C Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC. Payment of the principal of, premium, if any, and interest on the Series 2009C Bonds will be made directly to DTC or its nominee, Cede & Co., by the Bond Trustee. See "BOOK-ENTRY SYSTEM" herein. In the event that any of the Series 2009C Bonds are not in the Book-Entry System, payment of principal of, premium, if any, and interest on such Series 2009C Bonds will be made in accordance with the provisions of the Bond Indenture.

The Series 2009C Bonds, as initially issued, will be issued as fully registered bonds without coupons in denominations of $5,000 or any integral multiple thereof, and will be dated the date of original issuance. Each Series 2009C Bond subsequently issued will be dated as of the most recent Interest Payment Date to which interest has been paid or provided for next preceding its date of issue, unless issued on an Interest Payment Date on which interest has been paid or provided for, in which event it will be dated as of such Interest Payment Date, or, if it is issued prior to the first date on which interest is paid, it will be dated the date of the initial issuance of the Series 2009C Bonds. The Series 2009C Bonds will mature on the dates and in the principal amounts and will bear interest at the rates per annum shown on the inside cover page of this Official Statement. Interest on the Series 2009C Bonds will be payable on May 15 and November 15 of each year, commencing November 15, 2009. Interest on the Series 2009C Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2009C Bonds are subject to redemption prior to maturity as described below.

Redemption

Optional Redemption. The Series 2009C Bonds, other than the Series 2009C Bonds maturing on November 15, 2034, will be subject to redemption prior to maturity solely at the option and direction of the Obligated Group on or after November 15, 2019, and the Series 2009C Bonds maturing on November 15, 2034, will be subject to redemption prior to maturity on or after November 15, 2014, in each case in whole or in part (and, if in part, in such order of maturity and within a maturity in such manner as shall be designated by the Obligated Group and, if not so designated, in the inverse order of maturity and within a maturity by lot, in Authorized Denominations, in such manner as the Bond Trustee shall designate) on any Business Day, as provided in the Bond Indenture. The Series 2009C Bonds will be redeemable at 100% of the principal amount of the Series 2009C Bonds to be redeemed plus accrued interest thereon to the redemption date and without premium.

Mandatory Redemption. The Series 2009C Bonds maturing November 15, 2029, November 15, 2034 and November 15, 2038 will be subject to mandatory redemption prior to maturity in part by lot in Authorized Denominations in such manner as the Bond Trustee may determine through the operation of the Bond Sinking Fund as provided in the Bond Indenture, at 100% of the principal amount so to be redeemed plus accrued interest to the date of redemption, and without premium, on the following dates and in the following amounts:

Series 2009C Bonds Due November 15, 2029

November 15	Principal Amount
2025	$14,525,000
2026	15,840,000
2027	9,960,000
2028	8,265,000
2029*	10,320,000

* Final Maturity

Series 2009C Bonds Due November 15, 2034

November 15	Principal Amount
2030	$11,665,000
2031	15,025,000
2032	8,045,000
2033	310,000
2034*	330,000

* Final Maturity

Series 2009C Bonds Due November 15, 2038

November 15	Principal Amount
2035	$ 460,000
2036	490,000
2037	510,000
2038*	125,710,000

* Final Maturity

The Authority shall receive a credit against its obligation to have amounts on deposit in the Bond Sinking Fund with respect to any Series 2009C Bond required to be paid or redeemed on any November 15 to the extent that the Obligated Group delivers to the Bond Trustee on or prior to any such date a Series 2009C Bond required to be redeemed or paid on any such date.

Extraordinary Optional Redemption. The Series 2009C Bonds will be subject to redemption prior to maturity solely at the option and direction of the Obligated Group in whole or in part (and, if in part, in such order of maturity and within a maturity in such manner as shall be designated by the Obligated Group and, if not so designated, in the inverse order of maturity and within a maturity by lot, in Authorized Denominations, in such manner as the Bond Trustee shall designate) on any Business Day in the event of damage to or destruction of any Facility or any part thereof or condemnation of any Facility or any part thereof to the extent of the Net Proceeds of the insurance or condemnation award received in connection therewith, at a redemption price equal to 100% of the principal amount of such Series 2009C Bonds to be redeemed plus accrued interest thereon to the date of redemption and without premium.

The Series 2009C Bonds are also subject to redemption, in whole but not in part, solely at the option and direction of the Obligated Group, on the earliest possible date (i) in the event that any Borrower is required by a final court order to operate any Facility in a manner which is contrary to the beliefs of the General Conference of Seventh-day Adventists or (ii) in the event that any Borrower believes that there is a threat that it will be required to do so. Any such redemption will be at a redemption price equal to 100% of the principal amount of Series 2009C Bonds being redeemed plus accrued interest thereon to the date of redemption and without premium.

Notice and Effect of Redemption

Notice of the call for redemption of any Series 2009C Bonds, identifying the Series 2009C Bonds or portions of the Series 2009C Bonds to be redeemed, will be given by mailing a copy of the redemption notice by first class mail, postage prepaid, not more than 60 days nor less than 30 days prior to the date fixed for redemption to the Registered Owner of each Series 2009C Bond to be redeemed at the address shown on the registration books of the Bond Trustee. Failure to give such notice in the manner prescribed in the Bond Indenture, or any defect therein, will not affect the validity of any proceedings for the redemption of any Series 2009C 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 Series 2009C Bonds to be redeemed and to pay interest due thereon, the Series 2009C Bonds thus called shall not after the applicable redemption date bear interest, be protected by the Bond Indenture or be deemed to be outstanding under the provisions of the Bond Indenture.

Conversion

The Series 2009C Bonds will initially bear interest at Fixed Interest Rates. On or after November 15, 2019, with respect to all Series 2009C Bonds other than those maturing on November 15, 2034, and on or after November 15, 2014, with respect to the Series 2009C Bonds maturing on November 15, 2034 (in each case on the date or dates prescribed in the Bond Indenture), all or any portion of the Series 2009C Bonds may be converted from operating in an initial Fixed Rate Period to operating in a Flexible, Daily, Weekly, One Month, Six Month, One Year or Multiple Year Rate Period or may be changed to ARS Rate Bonds bearing interest at the Auction Rate, such conversion or change being at the Obligated Group's discretion or direction. Not less than 15 days prior to any conversion or 10 days prior to any change of all or any portion of the Series 2009C Bonds from an initial Fixed Rate Period commencing on the date of issuance of the Series 2009C Bonds, the Bond Trustee will provide notice of such conversion or change to Bondholders whose Series 2009C Bonds will be converted or changed.

THE DATE ON WHICH ANY SERIES 2009C BONDS ARE CONVERTED OR CHANGED WILL BE A MANDATORY TENDER DATE FOR SUCH SERIES 2009C BONDS. In addition, prior to any such conversion or change, the Bond Trustee shall have received consent to such conversion or change from the holders of a majority in principal amount of each maturity of the Series 2009C Bonds being converted or changed. The Series 2009C Bonds to be converted or changed are required to be tendered for purchase at the Tender Price on the mandatory tender date.

In addition to the required consent of holders of Series 2009C Bonds described above, the Bond Indenture contains various other conditions precedent that must be satisfied prior to any such conversion or change. If the conditions specified in the Bond Indenture for a proposed conversion or change are not satisfied, such conversion or change will not occur, the mandatory tender with respect thereto will be cancelled and such Series 2009C Bonds will be returned to the Registered Owners thereof. Upon any such failed conversion or change, the Series 2009C Bonds will continue to bear interest at the Fixed Interest Rate in effect for such Series 2009C Bonds prior to such failed conversion or change. In no event shall the failure of the Series 2009C Bonds to be so converted or changed be deemed to be an Event of Default under the Bond Indenture.

Use of This Official Statement

This Official Statement does not discuss interest rates or Rate Periods other than the initial Fixed Interest Rates and the initial Fixed Rate Periods with respect to the Series 2009C Bonds and is intended to be used only for Series 2009C Bonds that are (i) operating in an initial Fixed Rate Period and (ii) not secured by a Support Facility. This Official Statement should not be relied upon in determining whether to purchase Series 2009C Bonds that are (i) not operating in an initial Fixed Rate Period and/or (ii) secured by a Support Facility. At the time the interest rate on all or a portion of the Series 2009C Bonds is converted or changed, or if a Support Facility is provided to secure all or a portion of the Series 2009C Bonds, additional disclosure will be provided to the Bondholders purchasing the converted or changed Series 2009C Bonds or the Series 2009C Bonds entitled to the benefit of such Support Facility, as the case may be.

Registration, Transfer and Exchange

The following paragraph shall be applicable only to DTC or its successor so long as the Series 2009C Bonds are in the Book-Entry Only System.

Upon surrender for transfer of any fully registered Series 2009C Bond at the principal corporate trust office of the Bond Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Trustee and duly executed by the Registered Owner or his attorney duly authorized in writing, the Authority will execute and the Bond Trustee will authenticate and deliver in the name of the transferee or transferees a new fully registered Series 2009C Bond or Series 2009C Bonds of the same maturity for a like aggregate principal amount in Authorized Denominations. Series 2009C Bonds may be exchanged at said office of the Bond Trustee for a like aggregate principal amount of Series 2009C Bonds of other Authorized Denominations. The Bond Trustee will not be required to transfer or exchange any Series 2009C Bond during the period of fifteen days next preceding any interest payment date, nor after the mailing of notice calling such Series 2009C Bond or portion thereof for redemption has been made, nor during a period of fifteen days preceding the mailing of a notice of redemption of any Series 2009C Bonds.

Purchase of Series 2009C Bonds

The Authority has granted to Health Care or its designee (which designee may not be a Member of the Obligated Group) in the Bond Indenture the option to purchase, at any time and from time to time, any Series 2009C Bond which is redeemable as described above under "THE SERIES 2009C BONDS – Redemption -- Optional Redemption" at a purchase price equal to the redemption price therefor. To exercise such option, Health Care or its designee shall give the Bond Trustee a written request exercising such option within the time period specified in the Bond Indenture as though such written request were a written request of the Authority for redemption, and the Bond Trustee shall thereupon give the holders of the Series 2009C Bonds to be purchased notice of such purchase in the manner specified in the Bond Indenture as though such purchase were a redemption. On the date fixed for purchase pursuant to any exercise of such option, Health Care or its designee shall pay the purchase price of the Series 2009C Bonds then being purchased to the Bond Trustee in immediately available funds, and the Bond Trustee shall pay the same to the sellers of such Series 2009C Bonds against delivery thereof. Following such purchase, the Bond Trustee shall cause such Series 2009C Bonds to be registered in the name of Health Care or its designee and shall deliver them to Health Care or its designee. No purchase of Series 2009C Bonds pursuant to such option of Health Care or its designee shall operate to extinguish the indebtedness of the Authority evidenced thereby.

Notwithstanding the foregoing, no such purchase may be made by Health Care or its designee unless Health Care or its designee shall have delivered to the Bond Trustee concurrently therewith an opinion of nationally recognized bankruptcy counsel reasonably satisfactory to Moody's Investors Service ("Moody's"), Fitch Ratings ("Fitch") and the Bond Trustee to the effect that such purchase will not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code in the event that Health Care or its designee should become a debtor in proceedings commenced thereunder.

In addition, no designation by Health Care of another Person so to purchase any Series 2009C Bonds may be made unless Health Care shall have delivered to the Bond Trustee concurrently therewith an opinion of Bond Counsel to the effect that such designation will not have an adverse effect on the exemption from federal income taxation of interest on any Series 2009C Bond to which such Series 2009C Bond is otherwise entitled.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009C BONDS

General

The Series 2009C Bonds are limited obligations of the Authority and do not constitute a debt or liability of the State of Kansas or of any political subdivision of such state. Neither the faith and credit nor the taxing power of the State of Kansas or of any political subdivision of such state is pledged to the payment of the principal of, redemption premium, if any, or interest on the Series 2009C Bonds. The issuance of the Series 2009C Bonds will not, directly or indirectly or contingently, obligate the State of Kansas or any political subdivision thereof, including the Authority, to levy or to pledge any form of taxation whatever therefor, or to make any appropriation for the payment of the principal of, premium, if any, or interest on the Series 2009C Bonds. The Authority has no taxing powers.

The Series 2009C Bonds will be payable solely from: (i) payments or prepayments to be made on the Series 2009C Notes; (ii) payments to be made under the Loan Agreements (except for the Unassigned Rights); (iii) moneys and investments held under the Bond Indenture (except for amounts held in the Purchase Funds and the Rebate Fund); and (iv) in certain circumstances, proceeds from certain insurance and condemnation awards or proceeds from sales consummated under threat of condemnation.

The Loan Agreements

Concurrently with the issuance of the Series 2009C Bonds, the Borrowers will enter into separate Loan Agreements with the Authority, pursuant to which the Authority will loan to the particular Borrower in question a portion of the proceeds of the sale of the Series 2009C Bonds for the purposes described above under the caption "PLAN OF FINANCING." Each such loan will be evidenced by a Series 2009C Note of the Obligated Group issued under the Master Indenture. The payments of principal, premium, if any, and interest on the Series 2009C Notes will be sufficient to pay all principal and interest on the Series 2009C Bonds. Each Loan Agreement provides that the Obligated Group's obligations to make the payments on the related Series 2009C Note and the corresponding Borrower's obligation to make payments of other amounts due under such Loan Agreement will not be abated, rebated, set-off, reduced, deferred, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever.

Pledge under the Bond Indenture

Pursuant to the Bond Indenture, the Authority will pledge and assign to the Bond Trustee as security for the payment of the Series 2009C Bonds issued thereunder: (i) the right, title and interest of the Authority in and to the Series 2009C Notes and all payments to be made thereon; (ii) the right, title, and interest of the Authority in and to the related Loan Agreements (except for the Unassigned Rights); and (iii) the right, title and interest of the Authority in and to all moneys held under the Bond Indenture. There is, however, expressly excepted and excluded from the lien and operation of the Bond Indenture amounts held by the Bond Trustee in the Purchase Funds and the Rebate Fund.

The Master Indenture and the Series 2009C Notes

The Series 2009C Bonds will be secured by the Series 2009C Notes from the Obligated Group, which will be issued to the Bond Trustee. The Series 2009C Notes securing the Series 2009C Bonds will be issued pursuant to the Master Indenture, as supplemented by Supplemental Indenture Number 176. Each Series 2009C Note will entitle the Bond Trustee, as the holder thereof, to the protection of the covenants, restrictions and other obligations imposed upon the Obligated Group by the Master Indenture. Each Series 2009C Note will be a full and unlimited obligation of the Obligated Group.

There is no mortgage of or lien on the real property included in the Health Care Facilities securing the obligation of the Obligated Group to pay the principal of, premium, if any, or interest on the Series 2009C Notes securing the Series 2009C Bonds. However, the Obligated Group has granted to the Master Trustee a security interest in its accounts and its Gross Revenues, which security interest has been perfected to the extent it can be perfected by the filing of Uniform Commercial Code financing statements. The Master Indenture also requires the Obligated Group, in the event that it fails to make any payment due on any Note, and in certain other events, to deposit with the Master Trustee all of its Gross Revenues. Sunbelt maintains a program for the continuous sale of its and certain other Members of the Obligated Group's patient accounts receivable on a non-recourse basis. Once sold, these receivables are no longer the property of Sunbelt or any other Member of the Obligated Group and do not constitute collateral under the Master Indenture. Therefore, the sales of receivables significantly limit the accounts and Gross Revenues available as security for the Series 2009C Notes. See "BONDHOLDERS' RISKS – Sale of Receivables Program," and note 1 to the audited combined financial statements set forth in ***APPENDIX B***. Health Care and its affiliates have agreed with certain credit enhancers that they may sell from time to time their accounts receivable, provided that an amount equal to the initial proceeds received from the initial sales, whether in the form of cash, investments or funded depreciation, remains on the combined balance sheet (prepared in accordance with accounting principles generally accepted in the United States, or "GAAP") of Health Care, or are held by the accounts receivable sale program trustee. Such initial cash proceeds may be expended, provided that cash proceeds from subsequent sales of accounts receivable are available to replenish the amount of initial proceeds expended. This agreement may be waived at any time solely with the consent of such credit enhancers.

The Master Indenture creates two classes of Notes known as the “Class A Notes” and the “Class B Notes” which will have the benefit of particular covenants to be known as the “Class A Covenants” and the “Class B Covenants,” respectively. All Notes are governed by the provisions of the Master Indenture other than the Class A Covenants and the Class B Covenants. The Class A Notes have the benefit of the Class A Covenants, but not of the Class B Covenants. The Class B Notes also have the benefit of the Class A Covenants, plus the benefit of the Class B Covenants. Except for the Class A and Class B Covenants, all Class A and Class B Notes are equally and ratably secured by the Master Indenture. **The Series 2009C Notes will be Class A Notes**. Any Series 2009C Note may be exchanged for a Class B Note under certain circumstances. See “DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS – The Notes and the Master Indenture” in ***APPENDIX C*** hereto for a description of the Class A Covenants and the Class B Covenants. See “DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS – The Loan Agreements -- Exchange of Notes” and “– The Bond Indenture -- Exchange of Notes” for a description of the conditions under which Notes can be exchanged.

Supplemental Indenture Number 176 contains certain amendments (the “Amendments”) to the Master Indenture which require the consent of the Original Bond Insurers and of at least 51% in aggregate principal amount of Notes then Outstanding under the Master Indenture. The Amendments will become immediately effective without any notice once the required consents have been obtained. By purchasing the Series 2009C Bonds, the holders thereof shall be deemed to have consented to the Amendments. See “DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS – Summary of Certain Provisions of Supplemental Master Indenture Number 176” in ***APPENDIX C*** hereto for a description of the Amendments.

In addition, the Master Indenture provides certain restrictions on the Obligated Group, including certain covenants and restrictions that are solely for the benefit of certain bond insurers. **The Series 2009C Bonds are not insured by any bond insurance policy.** Under certain circumstances, a bond insurance policy of a Bond Insurer may cease to be in effect and in such case the related covenants granted solely to such Bond Insurer in connection with such bond insurance policy will be terminated, unless such Bond Insurer insures other Related Bonds, in which instance such covenants will remain in effect. See “DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS – The Notes and the Master Indenture,” “– Additional Covenants and Restrictions under the Master Indenture for the Benefit of FSA,” “– Additional Covenants and Restrictions under the Master Indenture for the Benefit of the Series 2006A Bond Insurer” and “– Additional Covenants and Restrictions under the Master Indenture for the Benefit of MBIA” in ***APPENDIX C*** attached hereto.

Additional Notes

The Master Indenture provides that the number of Notes or series of Notes that may be issued by the Obligated Group is not limited, and the Obligated Group may in the future issue Additional Notes subject to certain restrictions on the incurrence of additional indebtedness. As of December 31, 2008, there were $3,263,675,000 in principal amount of Notes outstanding under the Master Indenture (not including Notes issued to credit enhancers providing Support Facilities for bonds issued for the benefit of the Obligated Group). As of such date, the Obligated Group also had approximately $24,505,000 in principal amount of indebtedness outstanding not under the Master Indenture. In April 2009, the Obligated Group issued the Series 2009 A/B Notes in the principal amount of $10,000,000 to support tax-exempt bonds.

The Obligated Group may also at any time issue additional indebtedness and Notes in accordance with the provisions of the Master Indenture. Any such Additional Notes may be issued for the purpose of short-term or long-term borrowings on a taxable or tax-exempt basis, either by private sale or public offering, subject to the restrictions on additional indebtedness contained in the Master Indenture. All Notes will rank on a parity as provided in the Master Indenture. See "INTRODUCTORY STATEMENT – Outstanding Indebtedness" herein for additional information on outstanding indebtedness both under and not under the Master Indenture.

For a more complete description of the Bond Indenture, the Loan Agreements, the Series 2009C Notes and the Master Indenture, see ***APPENDIX C*** hereto.

Debt Service Reserve Fund

AT CLOSING, THE DEBT SERVICE RESERVE FUND CREATED UNDER THE BOND INDENTURE WILL NOT BE FUNDED. At the option of the Obligated Group, such Debt Service Reserve Fund may be funded in the future. See "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS – The Bond Indenture -- Funds; Disposition of Revenues -- 3. Debt Service Reserve Fund" in ***APPENDIX C*** hereto.

BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC") New York, New York, will act as the securities depository for the Series 2009C Bonds. The Series 2009C Bonds will be issued as fully-registered securities 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 Series 2009C Bond certificate will be issued for each maturity of the Series 2009C Bonds, 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, as amended. DTC holds and provides asset servicing for over 3.5 million issues of United States ("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. 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 Standard & Poor's Ratings Services ("S&P") highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2009C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2009C Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2009C Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmations from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2009C Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2009C Bonds, except in the event that use of the book-entry system for the Series 2009C Bonds is discontinued.

To facilitate subsequent transfers, all Series 2009C Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2009C 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 Series 2009C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2009C 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 Series 2009C Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2009C Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond Indenture, the Loan Agreements or the Master Indenture. For example, Beneficial Owners of Series 2009C Bonds may wish to ascertain that the nominee holding Series 2009C Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2009C Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2009C Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2009C Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 Series 2009C Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and payments on the Series 2009C 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 Authority or 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, the Authority, or the Group Representative, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and other payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Authority or Group Representative. 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 Series 2009C Bonds at any time by giving reasonable notice to the Authority and the Bond Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2009C Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers of the Series 2009C Bonds through DTC (or a successor securities depository). In that event, Series 2009C Bond certificates will be printed and delivered.

NEITHER THE AUTHORITY, THE UNDERWRITERS, HEALTH CARE, ANY MEMBER OF THE OBLIGATED GROUP NOR THE BOND TRUSTEE HAS ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS OR THE PERSONS FOR WHOM PARTICIPANTS ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF PORTIONS OF THE SERIES 2009C BONDS FOR REDEMPTION.

NEITHER THE BOND TRUSTEE, THE UNDERWRITERS, HEALTH CARE, ANY MEMBER OF THE OBLIGATED GROUP NOR THE AUTHORITY WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANT OF A DEPOSITORY, ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN ANY SERIES 2009C BONDS UNDER OR THROUGH A DEPOSITORY OR ANY PARTICIPANT OF A DEPOSITORY, OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE BOND TRUSTEE AS BEING A REGISTERED OWNER, WITH RESPECT TO THE ACCURACY OF ANY RECORDS MAINTAINED BY A DEPOSITORY OR ANY PARTICIPANT OF A DEPOSITORY, THE PAYMENT BY A DEPOSITORY OR ANY PARTICIPANT OF A DEPOSITORY OF ANY AMOUNT IN RESPECT OF PRINCIPAL OR PREMIUM, IF ANY, OR INTEREST ON ANY SERIES 2009C BOND, ANY NOTICE WHICH IS REQUIRED TO BE GIVEN TO REGISTERED OWNERS UNDER THE SERIES 2009C BOND INDENTURE, THE SELECTION BY A DEPOSITORY OR ANY PARTICIPANT OF A DEPOSITORY OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2009C BONDS, OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE SERIES 2009C BONDS.

In reviewing this Official Statement it should be understood that while the Series 2009C Bonds are in the Book-Entry System, reference in other sections of this Official Statement to owners of the Series 2009C Bonds should be read to include any person for whom a Participant acquires an interest in the Series 2009C Bonds, but (i) all rights of ownership, as described herein, must be exercised through DTC and the Book-Entry System and (ii) notices that are to be given to registered owners by the Bond Trustee will be given only to DTC. DTC is required to forward (or cause to be forwarded) the notices to the Participants by its usual procedures so that such Participants may forward (or cause to be forwarded) such notices to the Beneficial Owners.

THE INFORMATION PROVIDED ABOVE HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE AUTHORITY, THE OBLIGATED GROUP, HEALTH CARE OR THE UNDERWRITERS AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds relating to the issuance of the Series 2009C Bonds are estimated as follows:

SOURCES OF FUNDS	
Par Amount of Series 2009C Bonds	$330,390,000
Minus Net Original Issue Discount	(4,995,583)
Equity Contribution from Obligated Group	10,820,550
TOTAL SOURCES	$336,214,967
USES OF FUNDS	
Pay Project Costs	$ 12,004,967
Refund Prior Bonds	324,210,000
TOTAL USES	$336,214,967

* All costs of issuance (which include legal fees, Bond Trustee's fees, accountants' fees, Underwriters' fees and other miscellaneous expenses) are being paid directly by the Obligated Group and not from proceeds of the Series 2009C Bonds.

AGGREGATE DEBT SERVICE OF THE OBLIGATED GROUP*

The following table sets forth, for each bond year ending November 15, principal and interest payments on the Series 2009C Bonds and the other Long-Term Debt of the Obligated Group outstanding as of December 31, 2008 and secured by Notes, and excluding the Notes securing the Prior Bonds and the Notes issued to credit enhancers issuing Support Facilities for bonds. The Series 2009A/B Notes are included. Long-Term Debt consisting of certain capitalized leases, mortgages and notes payable is not secured by Notes and not included in this table. As of December 31, 2008, such capitalized leases, mortgages and notes payable were outstanding in an aggregate principal amount of approximately $24.51 million. Long-Term Debt of the Obligated Group is described in note 7 to the audited combined financial statements of the Obligated Group included in ***APPENDIX B*** hereto.

Years Ending November 15	Principal Series 2009C Bonds	Interest Series 2009C Bonds	Principal (Other Long-Term Debt)	Interest (Other Long-Term Debt)	Total Debt Service
2009	$ --	$ 6,240,603	$ 57,535,000	$ 147,605,230	$ 211,380,833
2010	5,955,000	17,689,898	50,885,000	144,614,035	219,143,933
2011	5,500,000	17,570,798	47,095,000	141,933,640	212,099,438
2012	5,160,000	17,387,348	54,470,000	139,416,966	216,434,314
2013	5,205,000	17,198,398	56,790,000	136,495,517	215,688,915
2014	5,455,000	16,995,495	57,625,000	133,493,811	213,569,306
2015	5,735,000	16,753,433	58,995,000	130,437,929	211,921,362
2016	6,045,000	16,512,733	65,210,000	127,304,778	215,072,511
2017	6,065,000	16,220,980	69,730,000	123,791,856	215,807,836
2018	6,450,000	15,919,830	73,050,000	120,111,050	215,530,880
2019	6,850,000	15,602,755	72,940,000	116,243,153	211,635,908
2020	7,280,000	15,257,680	72,630,000	112,374,203	207,541,883
2021	7,740,000	14,877,213	79,875,000	108,432,284	210,924,497
2022	8,765,000	14,473,938	82,480,000	104,217,902	209,936,840
2023	13,200,000	14,008,338	81,375,000	99,915,474	208,498,812
2024	13,530,000	13,296,713	84,115,000	95,698,375	206,640,088
2025	14,525,000	12,586,388	93,130,000	91,320,523	211,561,911
2026	15,840,000	11,787,513	99,915,000	86,482,104	214,024,617
2027	9,960,000	10,916,313	112,805,000	81,364,057	215,045,370
2028	8,265,000	10,368,513	120,640,000	75,679,094	214,952,607
2029	10,320,000	9,913,938	121,250,000	69,614,500	211,098,438
2030	11,665,000	9,346,338	122,565,000	63,526,469	207,102,807
2031	15,025,000	8,675,600	124,965,000	57,381,988	206,047,588
2032	8,045,000	7,811,663	140,315,000	51,116,701	207,288,364
2033	310,000	7,349,075	153,490,000	44,010,201	205,159,276
2034	330,000	7,331,250	159,030,000	36,178,651	202,869,901
2035	460,000	7,312,275	167,025,000	28,207,963	203,005,238
2036	490,000	7,285,825	172,785,000	19,766,500	200,327,325
2037	510,000	7,257,650	173,750,000	10,787,500	192,305,150
2038	125,710,000	7,228,325	42,000,000	2,100,000	177,038,325
TOTAL	$330,390,000	$371,176,819	$2,868,465,000	$2,699,622,454	$6,269,654,273

* *De minimis* rounding adjustments. All variable rate tax-exempt indebtedness is assumed to bear interest at an average annual interest rate of 5%.

PRO FORMA FINANCIAL RATIOS

The Obligated Group's pro forma Combined Long-Term Debt Service Coverage Ratio and Estimated Maximum Annual Debt Service Requirement as a percent of Total Operating Revenue for the year ended December 31, 2008, and the Obligated Group's pro forma Combined Long-Term Debt as a percent of Total Capitalization at December 31, 2008, are set forth below. The Estimated Maximum Annual Debt Service Requirement does not include certain capitalized leases, mortgages and notes payable outstanding as of December 31, 2008 in an aggregate principal amount of approximately $24.51 million. The table assumes each of the following occurred on January 1, 2008: (i) the issuance of the Series 2009A/B Notes, (ii) the issuance of the Series 2009C Bonds and (iii) the refunding of the Prior Bonds. The table also assumes the loss on early extinguishment of certain long-term debt. The Long-Term Debt of the Obligated Group as of December 31, 2008 is described in note 7 to the audited combined financial statements of the Obligated Group included in ***APPENDIX B*** hereto.

These pro forma financial ratios are calculated using the combined financial statements of the Obligated Group included in ***APPENDIX B*** hereto. GAAP requires that the combined financial statements of the Obligated Group include financial information of each entity controlled by any Member of the Obligated Group. Therefore, these pro forma financial ratios reflect financial information of entities which are not Members of the Obligated Group but are controlled by Members of the Obligated Group. The entities included in these pro forma financial ratios which are not Members of the Obligated Group have no obligation to make any payments on the Series 2009C Bonds, the Series 2009C Notes or any other Notes outstanding. Such entities increased Excess of Revenues and Gains Over Expenses Available for Debt Service by approximately $2.7 million for the year ended December 31, 2008 and such entities had approximately $2.0 million of outstanding indebtedness as of December 31, 2008.

Pro Forma Combined:	Pro Forma based on assumptions above (dollars in thousands)
Excess of Revenues and Gains over Expenses	$149,750
Depreciation and Amortization	293,342
Interest, including Financing Amortization and Accretion	159,772
Loss on Early Extinguishment of Debt	40,249
Excess of Revenues and Gains over Expenses Available for Debt Service (1)	$643,113
Estimated Maximum Annual Debt Service Requirement (2)†	$263,540
Long-term Debt Service Coverage Ratio (1)÷(2)	2.44x
Total Operating Revenue (3)	$5,198,758
Estimated Maximum Annual Debt Service Requirement as a Percent of Total Operating Revenue (2)÷(3)	5.07%
Long-term Debt (4)	$2,915,606
Net Assets (unrestricted and donor restricted)	3,058,890
Total Capitalization (5)	$5,974,496
Long-term Debt as Percent of Total Capitalization (4)÷(5)	48.80%

† Computed in accordance with the Master Indenture definitions; differs slightly from the amounts in the table on the previous page, which are computed in accordance with the assumption set forth in the lead-in paragraph and the footnotes to such table. See "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS – The Notes and the Master Indenture -- Permitted Indebtedness" in ***APPENDIX C*** hereto.

BONDHOLDERS' RISKS

General

As described herein, the principal of, premium, if any, and interest on the Series 2009C Bonds are payable solely from amounts payable by the related Borrowers under the related Loan Agreements, and by the Obligated Group (including any future Members of the Obligated Group) under the Series 2009C Notes. No representation or assurance is given or can be made that revenues will be realized by the Obligated Group (including any future Members of the Obligated Group) in amounts sufficient to pay debt service on the Series 2009C Bonds when due and other payments necessary to meet the obligations of the Members of the Obligated Group. These revenues are affected by and subject to conditions which may change in the future to an extent and with effects that cannot be determined at this time. The risk factors discussed below should be considered in evaluating the Obligated Group's ability to make payments in amounts sufficient to provide for payment of the principal of, premium, if any, and interest on the Series 2009C Bonds.

The following discussion of risk factors is not, and is not intended to be, exhaustive.

Investment Strategies

The Obligated Group had cash and cash management deposits, investments and other funds at December 31, 2008 as follows (in thousands):

Cash and Cash Management Deposits	$2,598,014
Investments	6,515
"Core Cash Portfolio" Subtotal	2,604,529
Funds Held in Trust	96,111
GRAND TOTAL	$2,700,640

The Obligated Group, along with other member affiliates of Health Care, participates in a cash management program managed by Health Care. This cash management program maintains separate accounts for each division and member affiliate at one central bank. Cash management deposits have the general characteristics of demand deposits in that the Obligated Group may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty, subject to limitations set by controls established by Health Care. Certain deposits are federally insured in limited amounts. Amounts are transferred each day to or from a central investment pool maintained by Health Care.

Virtually all of the funds held in trust were for principal and interest repayment, project and debt service reserve funds (the "Bond Funds") provided by bond financings the Obligated Group has undertaken in the past. All of the Bond Funds are invested in accordance with the applicable bond indentures.

Health Care retains the services of investment consultants and professional money managers to assist in implementing the investment of the Core Cash and the medical malpractice self-insurance trust funds. An Investment Advisory Committee oversees all aspects of the investment program and provides recommendations to the Finance Committee of the Board of Directors of Health Care regarding policy, portfolio construction, financial risk management and certain other matters. A Value at Risk risk management system is used daily to model the volatility in the Core Cash Portfolio. Various hedging strategies are used if necessary to control portfolio volatility.

Health Care has significant liquidity resources. As of December 31, 2008, its short duration high grade fixed income and money market portfolios were valued at $1.6 billion. In addition, Health Care maintains other liquid reserves and lines of credit. Health Care's lines of credit provide it with access to capital in the amount of $1.9 billion to be used by Health Care or its affiliates. As of December 31, 2008, Health Care had $1.4 billion outstanding (approximately $1.3 billion of which was drawn in the form of letters of credit supporting tax-exempt bonds issued for the benefit of the Obligated Group) and $0.5 billion available to be drawn. In connection with the refunding of the Prior Bonds, approximately $324 million of letters of credit outstanding on Health Care's line of credit will be terminated, and such amount will then be available to be drawn. Also, Health Care is able, if necessary, to reverse repurchase a portion of its short duration high grade fixed income portfolio.

At December 31, 2008, $2.65 billion of Health Care's Core Cash and Med Mal Portfolios were allocated to the following asset classes and/or investment strategies:

Money Market Funds	2.60%
Short Duration High Grade Fixed Income	66.37
Short Duration High Yield Fixed Income	1.03
Subtotal All Fixed Income	70.00%
Equities	10.85
Alternative Investments	19.15
GRAND TOTAL	100.00%

Health Care utilizes an investment approach in which the risk taken in the central investment pool is tied to the budgeted operating income and capital needs in a given year. In years with substantial projected operating income and minimal capital needs, management may elect to take more risk in the central investment pool. In years with lower projected operating income and/or higher capital needs, management may elect to take less risk in the central investment pool. There can be no assurance of returns on the central investment pool or the investment strategy that will be pursued by management in the future.

Money managers that invest the portfolio will sometimes use options, futures or forwards to invest in markets that they believe to be attractive. Health Care and the Obligated Group record their investments at market value. Management has designated the fixed income portion of its investments as other than trading securities. Accordingly, for such investments, interest and dividend income and realized gains and losses are included in investment income, while changes in unrealized gains or losses are included in Health Care's unrestricted net assets. Investment income from the cash management program is allocated to participants in the central investment pool. See the audited combined financial statements of the Obligated Group included in ***APPENDIX B*** hereto, including note 3, for additional information on the Obligated Group's cash and investments.

Impact of Market Turmoil

The current domestic and international financial crisis has had, and may continue to have, negative repercussions on the national and global economies, including a scarcity of credit, lack of confidence in the financial sector, extreme volatility in the financial markets, increase in interest rates, reduced business activity, increased consumer bankruptcies and increased business failures and bankruptcies. The market turmoil has caused challenges which may include, but not be limited to, negative investment performance, limitations on access to the credit markets, difficulty obtaining new liquidity facilities and/or extensions of liquidity facilities, the inability of credit or liquidity providers to meet their obligations, and the inability of remarketing agents to successfully remarket bonds.

In response, Congress, the Federal Reserve Board and other agencies of the federal government and foreign governments have taken various actions that are designed to enhance liquidity, improve the performance and efficiency of credit markets and generally stabilize securities markets. For example, in 2008 federally enacted legislation and regulatory and other initiatives were implemented by federal agencies and the Federal Reserve Board to attempt to stabilize the financial markets by enhancing liquidity, providing additional capital to the financial sector and improving the performance and efficiency of credit markets. On February 17, 2009, the American Recovery and Reinvestment Act of 2009 ("ARRA") was enacted to attempt to stimulate the economy. Additional action is being considered by various federal agencies, the Federal Reserve Board and foreign governments, all of which are intended to restore the domestic and global credit markets.

The health care sector has been, and could continue to be, negatively affected by these developments. The consequences of these developments in the health care sector have generally included, and are anticipated to continue to include, realized and unrealized investment portfolio losses, reduced investment income, limitations on access to the credit markets, difficulties in extending existing or obtaining new credit and/or liquidity facilities, difficulties in remarketing revenue bonds subject to tender, requiring the expenditure of funds on hand to pay principal payments on commercial paper or tenders of revenue bonds, and increased borrowing costs. The economic recession is also increasing stresses on various state budgets, potentially resulting in reductions in Medicaid payment rates or Medicaid eligibility standards, and delays of payment of amounts due under Medicaid and other state or local government payment programs.

ARRA includes several provisions that are intended to provide financial relief to the health care sector, including $86.6 billion in federal payments to states to fund the Medicaid program and $24.7 billion dollars to provide a 65% subsidy to the recently unemployed for health insurance premium costs. ARRA also includes the following: $19 billion to establish a framework for the implementation of a nationally-based health information technology program, including incentive payments to hospitals commencing fiscal year 2011; $10 billion for health research and construction of National Institutes of Health facilities; and $1 billion for prevention and wellness programs. The effect of ARRA and any future regulatory actions on Health Care and the Obligated Group cannot be determined at this time. For further information regarding the effects of these factors on the Obligated Group's recent financial performance, financial condition and debt portfolio, see "UNAUDITED COMBINED INTERIM FINANCIAL STATEMENTS OF THE OBLIGATED GROUP" and "MANAGEMENT'S DISCUSSION AND ANALYSIS" in ***APPENDIX A*** attached hereto.

Utilization of Derivatives Markets

Health Care utilizes the derivatives markets (including, from time to time, interest rate swaps) to manage its exposure to interest rate and equity market volatility. The majority of the interest rate swaps are designed to hedge variable rate indebtedness and are structured so that the Obligated Group pays a fixed rate. The Obligated Group has entered into multiple interest rate swaps to hedge the variable cash flows associated with existing variable rate indebtedness. In addition, the Obligated Group has entered into forward starting interest rate swaps to hedge the variable cash flows associated with variable rate indebtedness to be issued in the future. Recent market fluctuations have triggered a requirement to post collateral under the terms of certain existing swap agreements. Therefore, collateral has been posted with certain swap counterparties. In the event of an early termination of any swap, the Obligated Group may owe a payment to the related swap provider, and such amount, which cannot currently be calculated, may be substantial. The payment obligations of the Obligated Group under the swap agreements will not alter the obligations of the Obligated Group to pay or make payments with respect to principal of, redemption price and purchase price of, and interest on any other indebtedness. The obligations of the Obligated Group pursuant to the swap agreements are not secured by Notes issued under the Master Indenture. See the audited combined financial statements of the Obligated Group included in ***APPENDIX B*** hereto, including note 1 and note 7, for additional information on derivative financial instruments.

Reliance on Orlando Area Facilities Market Risk

The Obligated Group relies on facilities in the Orlando, Florida area for a large portion of its revenues and earnings. See ***APPENDIX A*** hereto. Thus, developments in this one market could have a substantial impact on the Obligated Group.

Risk from Health Care's Investments and Litigation

Health Care and its affiliates are organized into the following three operating divisions:

- Florida Division
- Multistate Hospital Division
- Long Term Care Division

All hospitals owned or leased by a Health Care affiliate (other than those hospitals owned by Metroplex Adventist Hospital, Inc.) are owned or leased by a Member of the Obligated Group. None of the corporate entities comprising the Long Term Care Division are presently part of the Obligated Group.

In the past, Health Care, on behalf of non-Obligated Group entities, has on occasion incurred debt, guaranteed all or a portion of debt that such entities have directly incurred, or directly lent such entities cash from its cash reserves or lines of credit. Material amounts or guarantees outstanding for the benefit of entities not part of or benefiting the Obligated Group where such support has been provided by Health Care included the following approximate amounts as of December 31, 2008:

Entity	Form of Support	Amount as of December 31, 2008
Orlando Sportsplex	Guarantee of Debt	$ 6,560,000
Adventist Care Centers	Guarantee of Debt	44,425,000
TOTAL		$50,985,000

Health Care, subject to the limitations of the Master Indenture, can direct the transfer of funds of each Member of the Obligated Group. If losses were to occur in the above discussed activities, or as a result of litigation, Health Care might, in part, fund obligations created by these activities and litigation by accessing cash generated by the Obligated Group.

Payment for Health Care Services

Most of the patient service revenues of the Obligated Group are derived from third-party payors which reimburse or pay for the services and items provided to patients covered by such third parties for such services, including the federal Medicare program, state Medicaid programs, and private health plans and insurers, health maintenance organizations ("HMOs"), preferred provider organizations ("PPOs") and other managed care payors. Many of these programs make payments to the Obligated Group at rates other than the direct charges of the Obligated Group, which rates may be determined on a basis other than the actual costs incurred in providing services and items to patients. Accordingly, there can be no assurance that payments made under these programs will be adequate to cover the Obligated Group's actual costs of furnishing health care services and items. In addition, the financial performance of the Obligated Group could be adversely affected by the insolvency of, or other delay in receipt of payments from, third-party payors which provide coverage for services to their patients.

Medicare and Medicaid are the commonly used names for health care reimbursement or payment programs governed by certain provisions of the federal Social Security Act. Medicare is an exclusively federal program and Medicaid is a combined federal and state program. Medicare provides certain health care benefits to beneficiaries who are 65 years of age or older, disabled or qualify for the End Stage Renal Disease Program. Medicare Part A covers inpatient services and certain other services, and Medicare Part B covers outpatient services, certain physician services, medical supplies and durable medical equipment. Medicaid is designed to pay providers for care given to the medically indigent and others who receive federal aid. Medicaid is funded by federal and state appropriations and is administered by state agencies. The Centers for Medicare & Medicaid Services ("CMS"), an agency of the United States Department of Health and Human Services ("HHS") administers the Medicare Program and works with the states to administer the Medicaid Program, as well as other health care programs.

Health care providers have been and continue to be affected significantly by changes made in the last several years in federal and state health care laws and regulations, particularly those pertaining to Medicare and Medicaid. The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "MMA"), among other things described below, generally increased reimbursement levels. The Deficit Reduction Act of 2005 (the "DRA"), contained, among other things, a number of provisions to slow the pace of spending growth in the Medicare program while increasing health care providers' focus on quality and efficient delivery of health care services. The purpose of much of the recent statutory and regulatory activity, including the MMA, has been to reduce the rate of increase in health care costs, particularly costs paid under the Medicare and Medicaid programs. Diverse and complex mechanisms to limit the amount of money paid to health care providers under both the Medicare and Medicaid programs have been enacted, some of which are being implemented and some of which will be or may be implemented in the future.

Medicare

Approximately 39% of the gross patient service revenues of the Obligated Group were derived from the Medicare program for the fiscal year ended December 31, 2008. As a consequence, any adverse development or change in Medicare reimbursement could have a material adverse effect on the financial condition and results of operations of the Obligated Group.

Medicare Part A pays acute care hospitals for most inpatient services under a payment system known as the "Prospective Payment System" or "PPS." Separate PPS payments are made for inpatient operating costs and inpatient capital-related costs.

Inpatient Operating Costs. Acute care hospitals that are reimbursed on a PPS basis are paid a specified amount toward their operating costs based on the Diagnosis Related Group ("DRG") to which each Medicare patient is assigned, which is determined by the diagnosis and procedures and other factors for each particular inpatient stay. The amount paid for each DRG is established prospectively by CMS based on the estimated intensity of hospital resources necessary to furnish care for each principal diagnosis and is not directly related to a hospital's actual costs. For certain Medicare beneficiaries who have unusually costly hospital stays ("outliers"), CMS will provide additional payments above those specified for the DRG. Outlier payments cease to be available upon the exhaustion of such patient's Medicare benefits or a determination that acute care is no longer necessary, whichever occurs first. There is no assurance that any of these payments will cover the actual costs incurred by a hospital. In addition, revisions to the outlier regulations implemented in order to curb outlier payment abuse may adversely affect hospitals' ability to receive such subsidies. In addition to outlier payments, DRG payments are adjusted for area wage differentials. These change on an annual basis.

DRG payments are adjusted each federal fiscal year (which begins October 1) based on the hospital "market basket" index, or the cost of providing health care services. For nearly every year since 1983, Congress has modified the increases and given substantially less than the increase in the "market basket" index. CMS has also implemented a documentation and coding adjustment to account for changes in payments under the new Medicare Severity Diagnosis Related Group, or MS-DRG, system that are not related to changes in case mix. The documentation and coding adjustments for federal fiscal years 2008 and 2009 are reductions to the base payment rate of 0.6% and 0.9% respectively. CMS has been given the authority to retrospectively determine if the documentation and coding adjustments for these years were adequate to account for changes in payments not related to changes in case mix. This may result in additional adjustments for federal fiscal years 2010, 2011 and 2012. Changes in the payments received for all services, including specialty services, could have an adverse effect on the Obligated Group.

Under the MMA, hospitals will continue to receive the full increase in the "market basket" index in federal fiscal years 2005-2009 so long as they participate in CMS's Hospital Quality Initiative. Pursuant to the DRA, for federal fiscal year 2007 and thereafter, there will be a 2% reduction from the market basket update (3.4% in federal fiscal year 2007, 3.3% in federal fiscal year 2008 and 3.0% in federal fiscal year 2009) for non-participating hospitals. CMS added new quality measures that hospitals must report during calendar year 2008 in order to qualify for the full market basket update in federal fiscal year 2009. The Obligated Group's hospitals participate in the Hospital Quality Initiative. There is no assurance that future increases in the DRG payments will keep pace with the increases in the cost of providing hospital services.

The Secretary of HHS is required to review annually the DRG categories to take into account any new procedures, reclassify DRGs and recalibrate the DRG relative weights that reflect the relative hospital resources used by hospitals with respect to discharges classified within a given DRG category. There is no assurance that the Obligated Group will be paid amounts that will adequately reflect changes in the cost of providing health care or in the cost of health care technology being made available to patients. During federal fiscal years 2007 and 2008, CMS created new DRGs and revised or deleted others in order to better recognize the severity of illness for each patient. CMS may only adjust DRG weights on a budget-neutral basis.

Inpatient Capital Costs. With limited exceptions, hospitals are reimbursed on a fully prospective basis for capital costs related to the provision of inpatient services to Medicare beneficiaries. Thus, capital costs are reimbursed exclusively on the basis of a standard federal rate (based on average national costs), subject to certain adjustments (such as for disproportionate share, indirect medical education and outlier cases) specific to the hospital. Hospitals are reimbursed at 100% of the standard federal rate for all capital costs. This applies to the standard federal rate before the application of the adjustment factors for outliers, exceptions and budget neutrality.

There can be no assurance that the prospective payments for capital costs will be sufficient to cover the actual capital-related costs of the Obligated Group allocable to Medicare patient stays or to provide adequate flexibility in meeting the Obligated Group's future capital needs.

Disproportionate Share Adjustments. Under PPS, hospitals that serve a disproportionate share of low-income patients may receive an additional disproportionate share hospital adjustment ("DSH"). A hospital may be classified as a DSH hospital based upon any of several circumstances related to the number of beds, the hospital's location, and its disproportionate patient percentage. The DSH adjustment is calculated under one of several methods, depending upon the basis for the hospital's classification as a DSH hospital. In the year ended December 31, 2008, 15 of the Obligated Group's hospitals received aggregate DSH payments totaling approximately $47.4 million. There is no assurance that any of the Obligated Group hospitals will receive DSH payments in the future.

Costs of Outpatient Services. Hospital outpatient services, including hospital operating and capital costs, are reimbursed on a PPS basis. Several Part B services are specifically excluded from this rule, including certain physician and non-physician practitioner services, ambulance, clinical diagnostic laboratory services and nonimplantable orthotics and prosthetics, physical and occupational therapy, and speech pathology services. Under the hospital outpatient PPS, predetermined amounts are paid for designated services furnished to Medicare beneficiaries. CMS classifies outpatient services and procedures that are comparable clinically and in terms of resource use into ambulatory payment classification ("APC") groups. Using hospital outpatient claims data from the most recent available hospital cost reports, CMS determines the median costs for the services and procedures in each APC group. Subsequently, a payment rate is established for each APC. Depending on the services provided, a hospital may be paid for more than one APC for a patient visit.

Outpatient PPS ("OPPS") rates are adjusted annually based on the hospital inpatient market basket percentage increase. The APC adjustment is the full market basket increase of 3.3% for 2008, and CMS has proposed a 3.0% increase for calendar year 2009. There can be no assurance that the hospital OPPS rate, which bases payment on APC groups rather than on individual services, will be sufficient to cover the actual costs of the Obligated Group allocable to Medicare patient care. Hospitals that fail to report certain required quality data will have their market basket percentage increase reduced by 2%.

In addition to the APC rate, there is a predetermined beneficiary coinsurance amount for each APC group. There can be no assurance that the beneficiary will pay this amount.

Physician Payment. Certain physician services are reimbursed on the basis of a national fee schedule called the "resource based-relative value scale" ("RB-RVS"). The RB-RVS fee schedule establishes payment amounts for all physician services, including services of provider-based physicians, and is subject to annual updates. In the RB-RVS system, payments for physician services are determined by the resource costs needed to provide them. The cost of providing each service is divided into three components: physician work, practice expense and professional liability insurance, each of which is resource-based. These factors are translated into relative value units ("RVU") and payments are calculated by multiplying the combined RVUs of a service by a conversion factor (a monetary amount that is determined by CMS). Payments are also adjusted for geographical differences in resource costs. The Sustainable Growth Rate ("SGR"), which is a limit on the growth of Medicare payments for physician services, is linked to changes in the U.S. Gross Domestic Product over a ten-year period. SGR targets are compared to actual expenditures in order to determine subsequent physician fee schedule updates. The underlying conversion factor used to calculate payment amounts to physicians under the RB-RVS fee schedule has fluctuated in recent years pursuant to actions by Congress, the President and CMS. In addition, the SGR system annually takes into account changes in the Medicare fee-for-services enrollment, input prices, spending due to law and regulation, and gross domestic product, effectively changing the payment schedule to physicians on a periodic basis.

Skilled Nursing Care. Medicare Part A reimburses on a PPS basis for certain post-acute inpatient skilled nursing and rehabilitation care and for certain post-hospital inpatient skilled nursing and rehabilitation care for up to 100 days during the same spell of illness. For skilled nursing facilities ("SNFs"), the federal government has implemented a PPS for Medicare reimbursement, which utilizes prospective, case-mix adjusted per diem rates applicable to all covered SNF services. Reimbursement under PPS also incorporates adjustments to account for facility case-mix using the Resource Utilization Groups ("RUGs") system. Effective January 1, 2006, nine new RUGs were added to a refined RUGs classification system, for a total of 53, and additional payments for certain existing RUGs were eliminated. CMS expanded the number of RUGs to achieve budget neutrality, but the expansion has resulted in increased Medicare expenditures. SNF PPS payment rates are adjusted annually based on the skilled nursing facility "market basket" index, or the cost of providing SNF services. For federal fiscal years

2007 and 2008, SNFs received the full market basket increase of 3.1% and 3.3%, respectively. On July 31, 2008, CMS published its final rules related to nursing home payment rates that implemented a 3.4% market basket increase for federal fiscal year 2009. CMS expects the market basket increase will yield an increase of $780 million in increased Medicare payments to nursing homes. A recalibration of the payment categories, intended to correct a previous error, which had been proposed for federal fiscal year 2009, has been delayed while CMS continues to evaluate data.

Home Health Care. CMS pays home health agencies for 60-day episodes of care based on PPS and reimburses agencies at higher rates for beneficiaries with greater needs. The system uses national payment rates that vary with the level of care required by each beneficiary, adjusted to reflect area wage differences. Additional payments may be made to the 60-day case-mix adjusted episode payments for beneficiaries who incur unusually large costs. Total national outlier payments for home health services annually will be no more than 5% of estimated total payments under home health PPS. CMS provided for a 3.0% market basket update for calendar year 2008 and a 2.9% update for calendar year 2009. Payments also are being adjusted to reflect the second year of a four-year phase in to a new "case mix" method, under which payments are adjusted to reflect variances in the severity of illnesses. The case-mix has the effect of reducing payment rates for the home health care sector by 2.75%, or $440 million. In addition, payments to the industry will be reduced by an additional $20 million after Medicare switches to an updated "wage index" that adjusts labor cost differences according to geographical regions. U.S. home health agencies on average will experience a rate increase of 0.15% but the rate change for home health will vary by region. As required by the DRA, agencies that do not submit data to CMS relating to ten quality indicators will, beginning in calendar year 2007, have their market basket update percentage reduced by 2%.

Ambulatory Surgical Centers. Medicare pays for ambulatory surgical center (“ASC”) services on a PPS basis. Historically, these rates have been updated annually for inflation by the consumer price index (“CPI”), effective each federal fiscal year commencing October 1. The MMA, however, changed the update cycle to a calendar year. Pursuant to the DRA, effective January 1, 2007, payments to ASCs were required to be capped at the corresponding OPPS amount paid to a hospital for the same procedure. CMS is in the process of revising the ASC payment system to one that is based on APC rates, which revised system would be applicable to services furnished on or after January 1, 2008. On October 30, 2008, CMS released its final rule regarding calendar year 2009 ASC payments. In calendar year 2009, the second year of a four-year transition, CMS will pay for ASC services at a rate that is based on a blend of 50% of the 2007 ASC payment amount and 50% of the 2009 fully implemented ASC amount. The ASC conversion factor, which converts the ASC payment weights into dollar amounts, after being adjusted for wage index budget neutrality, is 63% of the hospital outpatient PPS conversion factor. The law sets the ASC payment update for calendar year 2009 at 0%.

Provider-Based Standards. CMS made significant changes to the provider-based regulation included in the final OPPS rulemaking for federal fiscal year 2003. Generally, CMS eliminated a few requirements for on-site provider-based facilities and clarified some of the provisions of the prior provider-based rules. CMS clarified that prior approval of provider-based status by CMS is not required for an entity to bill as provider-based. Rather, a provider may provide an optional attestation of its status as a provider-based entity. Although such attestation is not required to bill as a provider-based entity, it may provide some overpayment protection in the event that CMS subsequently makes a determination that an entity is not provider-based, assuming accurate representation by the provider to CMS. Any reclassification by CMS may adversely affect the entity’s reimbursement under the Medicare program. Based on current regulations, the Members of the Obligated Group believe all of their respective current facilities that bill for services as provider-based entities qualify as “provider-based” entities under the current regulations.

Medicare Advantage. Medicare beneficiaries may obtain Medicare coverage through a managed care Medicare Advantage plan (formerly known as a "Medicare+Choice" plan). A Medicare Advantage plan may be offered by a coordinated care plan (such as an HMO or PPO), a provider sponsored organization ("PSO") (a network operated by health care providers rather than an insurance company), a private fee-for-service plan, or a combination of a medical savings account ("MSA") and contributions to a Medicare Advantage plan. Each Medicare Advantage plan, except an MSA plan, is required to provide benefits approved by the Secretary of HHS. A Medicare Advantage plan will receive a monthly capitated payment from HHS for each Medicare beneficiary who has elected coverage under the plan. Health care providers such as the Obligated Group must contract with Medicare Advantage plans to treat Medicare Advantage enrollees at agreed upon rates or may form a PSO to contract directly with HHS as a Medicare Advantage plan. Covered inpatient and emergency services rendered to a Medicare Advantage beneficiary by a hospital that is an out-of-plan provider (i.e., that has not entered into a contract with a Medicare Advantage plan) will be paid at Medicare fee-for-service payment rates as payment in full.

The MMA made several substantive changes to Medicare+Choice in addition to renaming the program. These changes are designed to improve Medicare+Choice by providing increased payments to providers beginning in 2004 and by offering more health plan choices, including expanded rural coverage through the inclusion of regional plans, beginning in 2006. Increased payments to Medicare Advantage providers were effective as of March 2004. There can be no assurance, however, that rates negotiated for the treatment of Medicare Advantage enrollees will be sufficient to cover the cost of providing services to such patients at the facilities of the Obligated Group.

Medicare Audits. Hospitals participating in Medicare are subject to audits and retroactive audit adjustments with respect to reimbursement claimed under the Medicare program. Medicare regulations also provide for withholding Medicare payment in certain circumstances if it is determined that an overpayment of Medicare funds has been made. In addition, under certain circumstances, payments may be determined to have been made as a consequence of improper claims subject to the federal False Claims Act (the "Federal False Claims Act") or other federal statutes, subjecting the Obligated Group to civil or criminal sanctions. Management of the Obligated Group is not aware of any situation whereby a material Medicare payment is being withheld from the Obligated Group.

RAC Audits. In accordance with the MMA and the Tax Relief and Health Care Act of 2006 (the "2006 Tax Act"), CMS has designated the use of recovery audit contractors ("RAC") to search for improper Medicare payments in Arizona, Florida, California, Massachusetts, New York and South Carolina. The CMS initiative originally was part of a demonstration program that expired in 2008, but the provisions of the 2006 Tax Act made the RAC program permanent and require CMS to expand the program to all 50 states by no later than 2010. CMS released a report in July 2008 stating that more than $693 million had been deposited in the Medicare Trust Funds between 2005 and March 2008 as part of the RAC program. Government officials have expressed concern that current payment integrity efforts are insufficient to identify and seek recovery of Medicare overpayments that are estimated currently to be in excess of $20 billion per year. The Obligated Group has been alleged to have received overpayments with respect to its facilities in Florida of approximately $32 million as a result of the demonstration project portion of the RAC program. As of December 31, 2008, the Obligated Group has won appeals of $15 million of these alleged overpayments, and the Obligated Group is continuing to appeal an additional $9 million. RAC automated reviews of claims are scheduled to begin in 2009; however, medical necessity complex reviews are not scheduled to begin until 2010. Management cannot anticipate the amount or volume of its past Medicare claims that will be reviewed under the RAC program or what the results of any such audits may be.

State Legislation

Medicaid (Title XIX of the federal Social Security Act) is a health insurance program for certain low-income and needy individuals that is jointly funded by the federal government and the states. It covers approximately 50 million people, including children, the aged, blind, and/or disabled, and individuals who are eligible to receive federally assisted income maintenance payments. Pursuant to broad federal guidelines, the states and the United States territories (Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands) each (1) establish their own eligibility standards; (2) determine the type, amount, duration, and scope of services; (3) set the payment rates for services; and (4) administer their own programs. Some states operate certain Medicaid programs under a waiver of some of the basic Medicaid requirements. Pursuant to the Medicaid program, the federal government supplements funds provided by the various states for medical assistance to the medically indigent. Payment for such medical and health services is made to hospitals in an amount determined in accordance with procedures and standards established by state law under federal guidelines.

Fiscal considerations of both the federal and state governments in establishing their budgets will directly affect the funds available to the providers for payment of services rendered to Medicaid beneficiaries. Currently, Medicaid nursing facility payments are generally made using a prospective per diem payment based on cost, adjusted for various factors, including acuity. In addition, Medicaid inpatient hospital payments are generally made under a DRG, prospective payment system on a per discharge basis. It is important to note that although the payment systems can be categorized in general terms, the specific methodology varies from state to state.

Approximately 9% of the Obligated Group's gross patient service revenues for the year ended December 31, 2008 were derived from the Medicaid program. Medicaid programs vary widely from state to state and are continually being amended and revised. There can be no assurance that the Obligated Group's patient service revenues will not be adversely affected by any future amendments and revisions to the Medicaid programs in the states where the Obligated Group assets are located.

Provided below for certain of the states in which the Obligated Group assets are located is certain relevant state regulatory information.

Colorado

Colorado does not have a certificate of need ("CON") law. Hospitals in Colorado are required to establish a quality management program, appropriate to the size and type of facility, that evaluates the quality of patient or resident care and safety. The Health Facilities and Emergency Medical Services Division of the Colorado Department of Public Health and Environment ("Colorado Department") licenses and certifies all types of health care facilities, including hospitals. The Colorado Department assures that patients receive quality care from licensed health facilities, and is responsible for conducting on-site inspections and complaint investigations. Failure to maintain correct licenses may result in interruption of business or the closing of a facility. The Members of the Obligated Group believe that its Colorado hospitals are in compliance with Colorado Department requirements.

Florida

Florida law provides for a CON program which applies to the offering or development of certain health care-related projects and institutional health services. The CON program in Florida is administered by the Agency for Health Care Administration ("AHCA"). Florida's CON program requires, among other things, AHCA's review of proposed establishment of, additions to, conversions of, or substantial changes in certain health services by or on behalf of certain Members of the Obligated Group under certain conditions, and depending upon the type of health care facility; the new construction or establishment of additional facilities; and the replacement of existing facilities to be located on different sites. Certain health-care-related projects are subject to expedited review, and certain other health-care-related projects are exempt from review.

In 2004, the Florida legislature passed revisions to the Florida CON law that the Governor signed into law, effective July 1, 2004 (the "2004 Florida CON Law") (2004 Florida Laws ch. 383). The 2004 Florida CON Law, among other things, generally preserved the requirement of a CON for new construction or establishment of additional health care facilities; exempted from CON review, upon proper application, certain hospitals' establishment of open-heart-surgery programs and the provision of percutaneous coronary intervention for emergency myocardial infarction patients presenting to a hospital lacking an approved adult open-heart-surgery program, if certain criteria are met; exempted from CON approval the addition of beds to certain existing health care facilities; and maintained the requirement that specialty hospitals are subject to CON approval, although Florida will not license or re-license certain specialty hospitals.

In 2008, the Florida Legislature passed further revisions to the 2004 Florida CON Law that the Governor signed into law, effective May 19, 2008 (2008 Florida Laws ch. 29) (the "2008 Florida CON Law" and together with the 2004 Florida CON Law, the "Florida CON Law"). These revisions limited the criteria that AHCA will apply to CON applications for general hospitals; established application content requirements specific to general hospitals; and established application processing, administrative hearing and judicial review provisions specific to general hospital CON applications.

No assurance can be given as to the ability of Members of the Obligated Group to obtain CON approval for future projects necessary for the maintenance of competitive rates and charges or quality and scope of care. The Members of the Obligated Group have all CONs or letters of exemption required for the operation of their facilities and the issuance of the Series 2009C Bonds. No assurance can be given that the Florida CON Law will not be amended or repealed, in whole or in part, following the date of this Official Statement.

Utilization Management. In 1984, the Florida legislature enacted the Health Care Access Act of 1984 to provide financial incentives for hospitals and insurers to contain costs.

Health Care Reform Act. The Health Care Reform Act of 1992 established a single agency, AHCA, in order to consolidate Florida State health care financing, data collection and regulatory functions. The data collection and analysis activities of AHCA are financed in part by an annual assessment on hospitals in an amount not to exceed four basis points (.04%) of the gross operating expenses of the hospital for its last fiscal year. Each fiscal year, health care facilities must file comprehensive financial information with AHCA. Health care facilities that fail to comply with AHCA's reporting requirements are subject to fines not exceeding $1,000 per day for each day the facility is in violation. Also pursuant to this Act, set forth in part at Florida Statutes 408.50, hospitals are required to enter into a rate agreement with each health insurer which represents 10% or more of the hospital's private pay patients to establish a prospective payment arrangement.

Florida Indigent Assistance. In 1984, the Florida legislature enacted the Public Medical Assistance Act (the "Assistance Act") to provide a mechanism for funding the provision of health care services to indigent persons. The Assistance Act, currently in Florida Statutes Section 395.701 et seq., imposes assessments upon each hospital operating in Florida, except hospitals operated by AHCA or the Department of Corrections. Each hospital is assessed 1.5% of its annual net operating revenue for inpatient services and 1.0% of its annual net operating revenue for outpatient services, based on the hospital's actual experience as reported to AHCA. The assessment is payable to and collected by AHCA and is based on annual net operating revenue for the entity's most recently completed fiscal year. Moneys collected by AHCA pursuant to the Assistance Act are deposited into Florida's Public Medical Assistance Trust Fund.

Florida Medicaid Reform. Florida's Medicaid program is currently undergoing significant reform pursuant to a pilot program approved in 2005, and which began implementation on July 1, 2006 in Broward and Duval Counties (the "Program"). The Program was expanded to include Baker, Clay and Nassau Counties on July 1, 2007. The Program, in general, enrolls individuals currently served under a fee-for-service arrangement into a managed care model of service, with certain exceptions. Through the Program, Florida proposes to utilize capitated managed care networks as a replacement for the current Medicaid fee-for-service and MediPass systems. AHCA is required by statute to implement expansion of the Program to include the remaining counties in Florida and remaining eligibility groups in accordance with the process specified in certain federally-approved terms and conditions, with a goal of full statewide implementation by June 30, 2011, subject to review and approval by the Florida legislature. Given the complexities of the managed care model and the need for legislative authority to operate the Program, management of the Obligated Group cannot predict what effect, if any, such reforms will have on the Obligated Group's Florida hospital facilities.

Illinois

Illinois Health Facilities Planning Act. The Illinois Health Facilities Planning Act, as amended (the "Illinois Planning Act"), has among its purposes the establishment of procedures designed to reverse the trend of increasing costs of health care resulting from unnecessary construction or modification of health care facilities, for the orderly and economical development of nonfederal health care facilities in Illinois, the avoidance of unnecessary duplication of such facilities and the promotion of planning for development of such facilities. Pursuant to the Illinois Planning Act and the accompanying regulations, no health care facility (which, as defined in the Illinois Planning Act, includes hospitals, nursing homes and certain other facilities) may initiate a project which (i) requires a capital expenditure in excess of the capital expenditure minimum that is adjusted annually, or (ii) substantially changes the scope or functional operation of a health care facility, or (iii) results in the establishment or discontinuance of a health care facility, or (iv) increases or decreases the number of beds or redistributes the bed capacity among various categories of service or physical facilities by more than ten beds or by more than 10% of the total bed capacity, whichever is less, over a two-year period, or (v) establishes or discontinues a regulated category of service, or (vi) involves the change of ownership of a health care facility, without first obtaining a CON permit, or an exemption, from the Illinois Health Facilities Planning Board (the "Planning Board"), the issuance of which is governed by the provisions of the Illinois Planning Act. The Illinois Department of Public Health, with the prior approval of the Planning Board, prescribes rules, regulations, standards and criteria required to carry out the provisions and purposes of the Illinois Planning Act.

The Illinois Planning Act also provides:

- Non-clinical capital expenditures are excluded from review. A non-clinical service area is an area for the benefit of the patients, visitors, staff, or employees of a health care facility and not directly related to the provision of patient services. Such services include parking garages, computer systems, roof replacement, and heating systems.

- No one is able to construct, establish, or modify an institution, place, building, or room used for the performance of outpatient surgery that is leased, owned or operated by or on behalf of an out-of-state facility without first obtaining a permit.

- Capital expenditures for assisted living facilities, which are established by or on behalf of health care facilities, are excluded from review.

A sunset provision to repeal the Illinois Planning Act was scheduled to become effective August 31, 2008, but the Illinois General Assembly passed House Bill 5017 extending the expiration date to July 1, 2009. The Governor of Illinois signed House Bill 5017 into law (Public Act 095-0771). It is unclear if the Illinois Planning Act will be extended or allowed to expire on July 1, 2009.

Current State Legislative Initiatives. In addition to the increased scrutiny that tax-exempt hospitals have faced in the past few years through federal and state charity care litigation, congressional hearings and internal revenue service examinations, the office of the Illinois Attorney General (the "Attorney General") has also directed its attention toward state legislative and regulatory initiatives relating to tax-exempt hospitals. Under current Illinois law, tax-exempt hospitals are required annually to submit audited financial statements and detailed community benefits reports to the Attorney General. The Attorney General has also issued subpoenas to a number of Illinois hospitals (including those in the Obligated Group) requesting additional information on charity care policies, billing practices and other matters. The Illinois Obligated Group hospitals complied with those requests. Several pieces of significant legislation were introduced in Illinois' 2006 legislative session to provide the Attorney General with increased oversight and responsibility over tax-exempt hospitals' charity care policies, property tax exemption, billing and collection procedures, labor relations and access to capital markets. These initiatives are indicative of a greater scrutiny of the billing, collection and other business practices of tax-exempt hospitals, and may indicate an increasingly more difficult operating environment for healthcare organizations, including the Members of the Obligated Group. While the Fair Patient Billing Act (Public Act 094-0885), relating to Illinois hospitals' billing and collection procedures, was signed into law by the Governor on June 20, 2006, the Attorney General withdrew the bill focused on charity care policies and property tax exemption from consideration in the 2006 legislative session, and has not introduced any such legislation in the current legislative session. The Attorney General has expressed her intent to discuss these issues further with Illinois hospitals, industry organizations and consumer groups. There can be no assurance what future legislative initiatives may contain or what the final form of any legislation passed may be. It is unclear whether the challenges, examinations and/or legislation would have a material adverse effect on the Members of the Obligated Group.

Kansas

Kansas does not have a CON law. The Kansas Department of Health and Environment's Bureau of Child Care and Health Facilities (the "Kansas Bureau") licenses and certifies all types of health facilities in Kansas, including adult care homes, hospitals, home health agencies, and facilities for the mentally retarded. Its programs exist to assure quality care through two primary means: establishing licensing standards and inspecting facilities to assure these standards are being met. Failure to maintain correct licenses may result in interruption of business or the closing of a facility. Management of the Obligated Group believes that the Obligated Group is in compliance with the Kansas Bureau requirements.

Texas

Texas law requires nonprofit hospitals to provide a certain level of uncompensated care to maintain an exemption from state taxes. Specifically, nonprofit hospitals must provide uncompensated community benefits based on the value of their tax exemption, local health needs and financial capability. Hospitals must choose from one of three standards to satisfy their community benefit requirements, develop community benefit plans and file financial reports with the Texas Department of State Health Services. Hospitals failing to report their community benefit plans are subject to civil penalties of up to

$1,000 a day for each day the report is late. Management of the Obligated Group believes that the Obligated Group is in compliance with the Texas requirements.

Commercial Insurance and Other Third-Party Plans

Many commercial insurance plans, including group plans, reimburse their customers or make direct payments to the Obligated Group for charges at established rates. Generally, these plans pay semiprivate room rates plus ancillary service charges, which are subject to various limitations and deductibles depending on the plan. To the extent allowed by law, patients carrying such coverage are responsible to the hospital for any deficiency between the commercial insurance proceeds and total billed charges. There can be no assurance that patients will make payments of any such deficiencies.

Managed Care and Integrated Delivery Systems

Many hospitals and health systems, including the Obligated Group, are pursuing strategies with physicians in order to offer an integrated package of health care services, including physician hospital services, to patients, health care insurers, and managed care organizations ("MCOs"). These integration strategies take many forms, several of which are discussed below. Further, many of these integration strategies are capital intensive and may create certain business and legal liabilities for the Obligated Group.

Even when these activities are conducted by affiliates outside of the Obligated Group, the start-up capitalization for such developments, as well as operational deficits, may be funded by the Obligated Group. Depending on the size and organizational characteristics of a particular development, these capital requirements may be substantial. In some cases, the Obligated Group may be asked to provide a financial guarantee for the debt of a related entity which is carrying out an integrated delivery strategy. In certain of these structures, the Obligated Group may have an ongoing financial commitment to support operating deficits, which may be substantial on an annual or aggregate basis.

Further, the Members of the Obligated Group have entered into contractual arrangements with PPOs, HMOs, and other similar MCOs, pursuant to which they agree to provide or arrange to provide certain health care services for these organizations' eligible enrollees. There can, however, be no assurance that revenues received under such contracts will be sufficient to cover all costs of services provided. Failure of the revenues received under such contracts to cover all costs of services provided may have a material adverse effect on the operations or financial condition of the Obligated Group.

State Laws. States are increasingly regulating the delivery of health care services in response to the federal government's failure to adopt comprehensive health care reform measures. Much of this increased regulation has centered around the managed care industry. State legislatures have cited their right and obligation to regulate and oversee health care insurance and have enacted sweeping measures that aim to protect consumers and, in some cases, providers. A number of states have enacted laws mandating payment of claims within specified time periods, laws regulating access to specialists, and laws generally regulating provider agreements with MCOs.

Due to this increased state oversight, the Obligated Group could be subject to a variety of state health care laws and regulations affecting both MCOs and health care providers. In addition, the Obligated Group could be subject to state laws and regulations prohibiting, restricting, or otherwise governing preferred provider organizations; third-party administrators, physician-hospital organizations, independent practice associations or other intermediaries; fee-splitting; the "corporate practice of medicine"; selective contracting ("any willing provider" laws and "freedom of choice" laws); coinsurance and deductible amounts; insurance agency and brokerage, quality assurance, utilization review, and credentialing activities; provider and patient grievances; mandated benefits; rate increases; and many other areas.

In the event that the Obligated Group chooses to transact businesses subject to such laws, or is considered by a state in which it operates to be engaging in such businesses, the Obligated Group may be required to comply with these laws or to seek the appropriate license or other authorization from that state. Such requirements may impose operational, financial, and legal burdens, costs, or risks on the Obligated Group.

Dependence Upon Third-Party Payors. The Obligated Group's ability to develop and expand its services and, therefore, its profitability, is dependent upon the Obligated Group's ability to enter into contracts with HMOs and other third-party payors at competitive rates. There can be no assurance that the Obligated Group will be able to attract third-party payors, and where it does, no assurance that it will be able to contract with such payors on advantageous terms. The inability of the Obligated Group to contract with a sufficient number of such payors on advantageous terms would have a material adverse effect on the Obligated Group's operations and financial results. Further, while the Obligated Group employs a system to control health care service utilization and increase quality, the Obligated Group cannot predict changes in utilization patterns or the system's effect on health care providers.

Physician Contracting and Relations. The Obligated Group may wish to contract with physician organizations ("POs") (e.g., independent physician associations, physician-hospital organizations, etc.) to arrange for the provision of physician and ancillary services. Because POs are separate legal entities with their own goals, obligations to shareholders, financial status, and personnel, there are risks involved in contracting with POs. In addition, as of December 31, 2008, Members of the Obligated Group employed 735 physicians, including hospitalists, pathologists, radiologists, anesthesiologists, emergency room physicians and other hospital-based physicians.

The success of the Obligated Group will be partially dependent upon its ability to attract physicians to join POs and to attract POs to participate in the Obligated Group's network, and upon the physicians', including the employed physicians', abilities to perform their obligations and deliver high quality patient care in a cost-effective manner. There can be no assurance that the Obligated Group will be able to attract and retain the requisite number of physicians, or that such physicians will deliver high quality health care services. Without impaneling a sufficient number and type of providers in the Obligated Group's network, the Obligated Group could fail to be competitive, fail to keep or attract payor contracts, or be prohibited from operating until its panel provided adequate access to patients. Such occurrences could have a material adverse effect on the business or operations of the Obligated Group.

The Obligated Group has attempted to structure its operations to avoid characterization as engaging in the corporate practice of medicine. However, there can be no assurance that state agencies will not challenge the Obligated Group's activities as they relate to its management of the provider networks and find violations of the corporate practice of medicine prohibition, which may have a material adverse effect on the Obligated Group's operations and financial results.

Regulation of Health Care Industry

General. The health care industry is highly dependent on a number of factors which may limit the ability of the Obligated Group and any future Members of the Obligated Group to meet their obligations under the Loan Agreements, the Master Indenture and the Series 2009C Notes. Among other things, participants in the health care industry (such as the Obligated Group) are subject to significant regulatory requirements of federal, state and local governmental agencies and independent professional organizations and accrediting bodies, technological advances and changes in treatment modes, various competitive factors and changes in third-party reimbursement programs. Discussed below are certain of these factors which could have a significant effect on the future operations and financial condition of the Obligated Group.

Health Insurance Portability and Accountability Act. The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") added two prohibited practices, the commission of which may lead to civil monetary penalties: (1) the practice or pattern of presenting a claim for an item or service on a reimbursement code that the person knows or should know will result in greater payment than appropriate, i.e., upcoding, and (2) engaging in a practice of submitting claims for payment for medically unnecessary services. Violation of such prohibited practices could amount to civil monetary penalties of up to $10,000 for each item or service involved. Management of the Obligated Group is not aware of any violations of the prohibited practices provisions of HIPAA.

HIPAA also includes administrative simplification provisions intended to facilitate the processing of health care payments by encouraging the electronic exchange of information and the use of standardized formats for health care information. Congress recognized, however, that standardization of information formats and greater use of electronic technology presents additional privacy and security risks due to the increased likelihood that databases of individually identifiable health information will be created and the ease with which vast amounts of such data can be transmitted. Therefore, HIPAA requires the establishment of distinct privacy and security protections for individually identifiable health information.

HHS promulgated privacy regulations under HIPAA that protect patient medical records and other personal health information maintained by health care providers, hospitals, health plans, health insurers, and health care clearinghouses. Compliance with the privacy regulations was required as of April 14, 2003. Management of the Obligated Group believes that its operations and information systems comply with the HIPAA privacy regulations in all material respects.

Security regulations have also been promulgated under HIPAA. These security regulations were issued in final form on February 20, 2003, with a compliance date of April 21, 2005 (the "Security Regulations"). Additionally, HHS promulgated regulations to standardize the electronic transfer of information pursuant to certain enumerated transactions (the "Code Set Transactions"), with a compliance deadline of October 16, 2003. Management of the Obligated Group believes that all of its health care facilities are in substantial compliance with the Security Regulations and the Code Set Transactions.

Violations of HIPAA could result in civil monetary penalties of up to $25,000 per type of violation in each calendar year and criminal penalties of up to $250,000 per violation.

On February 17, 2009, President Obama signed into law the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), which is part of ARRA. The HITECH Act significantly changes the landscape of federal privacy and security law with regard to individually identifiable health information. The HITECH Act (i) extended the reach of HIPAA and the Security Regulations, (ii) imposed a breach notification requirement on HIPAA covered entities, (iii) limited certain uses and disclosures of individually identifiable health information, (iv) increased individuals' rights with respect to individually identifiable health information and (v) increased enforcement of, and penalties for, violations of privacy and security of individually identifiable health information. Many of the HITECH Act's provisions will become effective on February 17, 2010, but other provisions require implementing regulations or may become effective at some point in 2011 or thereafter. Management of the Obligated Group does not expect that the prohibited practices provisions of the HITECH Act will affect the Obligated Group in a material respect.

Any violation of the HITECH Act is subject to HIPAA civil and criminal penalties. Additionally, the HITECH Act also creates a tiered approach to civil monetary penalties for violations of HIPAA and the HITECH Act that became effective immediately upon President Obama signing the HITECH Act into law on February 17, 2009. The new tiered approach under the HITECH Act provides for civil monetary penalties of up to $1.5 million for violations during a calendar year.

Federal "Fraud and Abuse" Laws and Regulations. The Federal Medicare/Medicaid Anti-Fraud and Abuse Amendments to the Social Security Act (the "Anti-Kickback Law") make it a felony offense to knowingly and willfully offer, pay, solicit or receive remuneration in order to induce business for which reimbursement is provided under the Medicare or Medicaid programs. In addition to criminal penalties, including fines of up to $25,000 and five years' imprisonment, violations of the Anti-Kickback Law can lead to civil monetary penalties ("CMP") and exclusion from Medicare, Medicaid and certain other state and federal health care programs. The scope of prohibited payments in the Anti-Kickback Law is broad and includes economic arrangements involving hospitals, physicians and other health care providers, including joint ventures, space and equipment rentals, purchases of physician practices and management and personal services contracts. HHS has published regulations which describe certain "safe harbor" arrangements that will not be deemed to constitute violations of the Anti-Kickback Law. The safe harbors described in the regulations are narrow and do not cover a wide range of economic relationships which many hospitals, physicians and other health care providers consider to be legitimate business arrangements not prohibited by the statute. Because the regulations describe safe harbors and do not purport to describe comprehensively all lawful or unlawful economic arrangements or other relationships between health care providers and referral sources, hospitals and other health care providers having these arrangements or relationships may be required to alter them in order to ensure compliance with the Anti-Kickback Law.

In addition to current CMP, the Balanced Budget Act of 1997 created a new CMP for violations of the federal anti-kickback statute for cases in which a person contracts with an excluded provider for the provision of health care items or services where the person knows or should know that the provider has been excluded from participation in a federal health care program. Violations will result in damages three times the remuneration involved as well as a penalty of $50,000 per violation.

Management of the Obligated Group believes that its contracts with physicians and other referral sources are in material compliance with the Anti-Kickback Law. However, in light of the narrowness of the safe harbor regulations and the scarcity of case law interpreting the Anti-Kickback Law, there can be no assurances that the Obligated Group will not be found to have violated the Anti-Kickback Law and, if so, whether any sanction imposed would have a material adverse effect on the operations of the Obligated Group.

Restrictions on Referrals. Current federal law (known as the "Stark" law provisions) prohibits providers of "designated health services" from billing Medicare or Medicaid when the patient is referred by a physician or an immediate family member with a financial relationship with the provider, with limited exceptions. "Designated health services" include the following: clinical laboratory services; physical therapy services; occupational therapy services; radiology services, including magnetic resonance imaging, computerized axial tomography scans, and ultrasound services; radiation therapy services and supplies; durable medical equipment and services; parenteral and enteral nutrients, equipment and supplies; prosthetics, orthotics, and prosthetic devices and supplies; home health services; outpatient prescription drugs; and inpatient and outpatient hospital services. The sanctions under the Stark law include denial and refund of payments, civil monetary penalties of up to $15,000 per prohibited service provided and exclusions from the Medicare and Medicaid programs. The statute also provides for a penalty of up to $100,000 for a circumvention scheme.

On January 4, 2002, Phase I of a final regulation interpreting Stark law provisions as they relate to designated health services became effective. Phase I covers the general prohibition on certain referrals, the general exemption to both the ownership and compensation arrangement prohibition, and related definitions.

On March 26, 2004, CMS published the Phase II Interim Final Stark II regulations, with an effective date of July 26, 2004. The Phase II regulations cover those parts of the Stark law that were not covered by Phase I, namely the ownership and investment exceptions to the general prohibition, the compensation arrangement exceptions to the general prohibition and the Stark law's reporting provisions. Phase II also includes additional regulatory exceptions, definitions and CMS's response to public comments on the Phase I regulations.

On September 5, 2007, CMS published the Phase III Final Stark II regulations, with an effective date of December 4, 2007. The Phase III regulations finalize and respond to public comments regarding the Phase II regulations, as well as providing revisions to the definitions of compensation arrangements and other regulatory modifications.

CMS continues to revise, supplement and update the Stark law. On July 31, 2008, CMS published final changes to the regulations that further restrict the types of arrangements that facilities and physicians may enter, including additional restrictions on certain leases, percentage compensation arrangements, and agreements under which a hospital purchases services under arrangements.

Management of the Obligated Group believes that the Obligated Group is currently in material compliance with the Stark provisions. However, in light of the scarcity of case law interpreting the Stark provisions, there can be no assurances that the Obligated Group will not be found to have violated the Stark provisions and, if so, whether any sanction imposed would have a material adverse effect on the operations of the Obligated Group, the financial condition of the Obligated Group, or the status of its Members as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

Compliance/OIG Investigations. Medicare requires that extensive financial information be reported on a periodic basis and in a specific format or content. These requirements are numerous, technical and complex and may not be fully understood or implemented by billing or reporting personnel. With respect to certain types of required information, the False Claims Act and the Social Security Act may be violated by mere recklessness in the submission of information to the government even without any intent to defraud. New billing systems, new medical procedures and procedures for which there is not clear guidance from CMS may all result in liability. The penalties for violation include criminal or civil liability and may include, for serious or repeated violations, exclusion from participation in the Medicare program.

HHS, through the Office of Inspector General (the "OIG"), conducts national investigations of Medicare billings for certain services. The focus of these investigations varies annually according to the OIG Workplan. While the Obligated Group makes every effort to be in compliance with Medicare billing requirements, there can be no assurance that the Obligated Group will not be subject to an investigation.

The False Claims Act provides that an individual may bring a civil action for a violation of such Act. These actions are referred to as qui tam actions. In this way, a hospital employee would be able to sue on behalf of the U.S. government if he or she believes that the hospital has committed fraud. If the government intervenes and proceeds with an action brought by this individual, then he or she could receive as much as 25% of any money recovered. Even if the government does not intervene and proceed with an action, the employee could still proceed and receive a portion of any money recovered. See "ABSENCE OF MATERIAL LITIGATION – The Obligated Group" herein for more information regarding Obligated Group qui tam actions.

Patient Transfers. In response to concerns regarding inappropriate hospital transfers of emergency patients based on the patient's inability to pay for the services provided, Congress enacted the Emergency Medical Treatment and Active Labor Act ("EMTALA"). Among other things, EMTALA imposes certain requirements which must be met before transferring a patient to another facility, including conducting a medical screening. Failure to comply with EMTALA can result in exclusion from the Medicare and/or Medicaid programs as well as imposition of civil and criminal penalties. The requirements of EMTALA, specifically those mandating treatment of uninsured patients, could adversely affect the financial condition of the Obligated Group.

Accreditation. The Members of the Obligated Group and their operations are subject to regulation and certification by various federal, state and local government agencies and by certain nongovernmental agencies such as The Joint Commission. No assurance can be given as to the effect on current and future operations of the Obligated Group of existing laws, regulations and standards or the application thereof for certification or accreditation or of any future changes in such laws, regulations and standards.

Environmental Laws and Regulations. Health care providers are subject to a wide variety of federal, state and local environmental and occupational health and safety laws and regulations which address, among other things, hospital operations, facilities and properties owned or operated by hospitals. Among the types of regulatory requirements faced by hospitals, in addition to others, are (a) air and water quality control requirements, (b) waste management requirements, (c) specific regulatory requirements applicable to asbestos, polychlorinated biphenyls and radioactive substances, (d) requirements for providing notice to employees and members of the public about hazardous materials handled by or located at the hospital, and (e) requirements for training employees in the proper handling and management of hazardous materials and wastes.

At the present time, management of the Obligated Group is not aware of any pending or threatened claim, investigation or enforcement action regarding such environmental issues which, if determined adversely to the Obligated Group, would have a material adverse effect on its operations or financial condition.

Nonprofit Healthcare Environment

The Members of the Obligated Group are each nonprofit corporations, exempt from federal income taxation as organizations described in the Code. 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 organizations and operations, including their operation for charitable purposes. At the same time, Health Care and Sunbelt each conduct large-scale complex business transactions and the Obligated Group's hospitals are major employers in their 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 healthcare organization.

Recently, an increasing number of the operations or practices of healthcare providers have been challenged or questioned to determine if they are consistent with the regulatory requirements for nonprofit tax-exempt organizations and in particular whether such organizations are providing sufficient community benefit to justify their continuing tax-exemption. These challenges 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 healthcare organizations. Areas which have come under examination have included pricing practices, billing and collection practices, charitable care, community benefit, executive compensation, exemption of property from real property taxation, and others. These challenges and questions have come from a variety of sources, including state attorneys general, the Internal Revenue Service (the "IRS"), local and state tax authorities, labor unions, Congress, state legislatures, and patients, and in a variety of forums, including hearings, audits and litigation. These challenges or examinations include the following, among others:

Congressional Hearings. Beginning in 2003, a number of House and Senate Committees, including, the House Committee on Energy and Commerce, the House Committee on Ways and Means and the Senate Finance Committee, have conducted hearings and/or investigations into issues related to nonprofit tax-exempt healthcare organizations. These hearings and investigations have included a nationwide investigation of hospital billing and collection practices, charity care and community benefit, prices charged to uninsured patients and possible reforms to the nonprofit sector. These hearings and investigations may result in new legislation. The effect on the nonprofit health care sector or the Members of the Obligated Group of any such legislation, if enacted, cannot be determined at this time.

Challenges to Real Property Tax Exemptions. Recently, the real property tax exemptions afforded to certain nonprofit healthcare providers by certain state and local taxing authorities have been challenged on the grounds that the healthcare providers were not engaged in charitable activities. These challenges have been based on a variety of grounds, including allegations of aggressive billing and collection practices and excessive financial margins. While the Members of the Obligated Group are not aware of any current challenge to the tax exemption afforded to any of their material properties, there can be no assurance that these types of challenges will not occur in the future.

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

Corporate Compliance Program

Health Care developed and implemented a compliance program for itself and its affiliates (including each Member of the Obligated Group) which includes a compliance plan to assist all employees in understanding and adhering to the legal and ethical standards that govern the provision of patient care (the "Compliance Plan"). The Compliance Plan has been designed to (i) comply with the standards set forth in the Federal Sentencing Guidelines for Organizational Defendants (the "Federal Sentencing Guidelines") and (ii) help assure that Health Care and its affiliates act in accordance with their mission, values and known legal duties. Amendments to the Federal Sentencing Guidelines, effective November 1, 2004, recommend an effective compliance and ethics program with knowledgeable and reasonable oversight by the governing authority of an organization. Responsive to these amendments, Health Care established a Health Care Board Compliance Committee, consisting of Health Care board members, which has the overall responsibility for the implementation of Compliance Plan policies for Health Care and its affiliates. In addition, to facilitate implementation of the Compliance Plan, each entity subject to the Compliance Plan has appointed a local compliance officer to function as a liaison and coordinate with the Chief Compliance Officer on compliance issues. Finally, there is a Health Care Compliance Steering Committee which oversees the implementation of the Compliance Plan and helps ensure that the process is functioning effectively and that the Compliance Plan is being followed appropriately.

Antitrust

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.

In some respects, the application of federal and state antitrust laws to health care is still evolving, and enforcement activity by federal and state agencies appears to be increasing. At various times, health care providers may be subject to an investigation by a governmental agency charged with the enforcement of antitrust laws, or may be subject to administrative or judicial action by a federal or state agency or a private party. Violators of the antitrust laws could be subject to criminal and civil enforcement by federal and state agencies, as well as by private litigants.

The ability to consummate mergers, acquisitions or affiliations may also be impaired by the antitrust laws, potentially limiting the ability of health care providers to fulfill their strategic plans. Liability in any of these or other antitrust areas of liability may be substantial, depending on the facts and circumstances of each case.

Issues Related to the Health Care Markets of the Obligated Group

Affiliation, Merger, Acquisition, Joint Venture and Divestiture. Significant numbers of affiliations, mergers, acquisitions, joint ventures and divestitures have occurred in the health care industry in recent years, and the Obligated Group has undertaken a variety of such transactions. As part of its ongoing planning process, the Obligated Group considers potential affiliations, joint ventures and acquisitions of operations or properties which may become affiliated with or become part of the Obligated Group in the future, and also considers the divestiture of certain of its operations or properties. As a result, it is possible that certain newly acquired or affiliated organizations and their assets and liabilities may be added to the Obligated Group, or certain existing facilities may no longer be part of the Obligated Group, although the Obligated Group would continue to be responsible for any remaining liabilities attributable to the divested facilities, as any consideration received for the divested property could be insufficient to pay all related liabilities. See "RECENT EVENTS AND FUTURE PLANS" in ***APPENDIX A*** attached hereto.

Possible Increased Competition. The Obligated Group could face increased competition in the future from other hospitals, skilled nursing facilities, and other forms of health care delivery that offer health care services to the populations which the Obligated Group currently serves. This could include the construction of new, or the renovation of existing, hospitals, skilled nursing facilities, health maintenance organization facilities, ambulatory surgery centers, freestanding emergency facilities, private laboratory and radiological services, specialized nursing facilities, home care, intermediate nursing home care, preventive care and drug and alcohol abuse programs.

In addition, competition could result from forms of health care delivery that are able to offer lower priced services to the population served by the Members of the Obligated Group. These services could be substituted for some of the revenue-generating services currently offered by the Members of the Obligated Group. The services that could serve as substitutes for hospital treatment include skilled and specialized nursing facilities, home care, intermediate nursing home care, preventive care, and drug and alcohol abuse programs. Competition may also come from specialty hospitals or organizations, particularly those facilities providing specialized services in areas with high visibility and strong margins, such as cardiac services and surgical services, and having specialty physicians as investors.

As part of the MMA, Congress enacted a moratorium on the investment by referring physicians in certain types of specialty hospitals. The moratorium expressly applied to hospitals engaged in the care and treatment of patients with cardiac or orthopedic conditions, patients receiving surgical procedures and patients receiving any other specialized type of services that CMS may designate. The moratorium officially expired on June 8, 2005. CMS, however, suspended processing specialty hospital applications and agreements following the official expiration of the moratorium, which suspension was extended for two months by the DRA. During the processing suspension CMS was directed, pursuant to the DRA, to prepare a report containing, among other things, a strategic and implementing plan relating to investment in specialty hospitals that addresses issues such as the provision of charity care, proportionality of investment returns and patient disclosure. On August 8, 2006, CMS issued its final report and ended its processing suspension, outlining its strategic and implementing plan. The plan (i) calls for Medicare reimbursement reforms in order to better align payments with the costs of care; (ii) requires greater transparency in financial relationships between physicians and hospitals; (iii) promotes alignment of physician and hospital financial incentives; and (iv) clarifies emergency care obligations, including that of hospitals without emergency departments, but that have specialized capabilities, to accept transfers of emergency patients needing those capabilities.

Availability of Insurance Products. In recent years the health care industry has seen significant reductions in the availability of general commercial liability and other insurance products. There can be no assurance that the Obligated Group will be able in the future to obtain commercial insurance on reasonably acceptable terms and conditions. Increases in the cost of such insurance products could have a material adverse effect on the Obligated Group and its results of operations.

Risks Related to Tax-Exempt Status

Tax Exemption for Nonprofit Hospitals and Corporations. Loss of tax-exempt status by Members of the Obligated Group or by any user of property financed or refinanced with the proceeds of the Series 2009C Bonds or certain other bonds could result in loss of tax exemption of the Series 2009C Bonds and of other tax-exempt debt issued therefor, and defaults in covenants regarding the Series 2009C Bonds and such other tax-exempt debt would likely be triggered. Such an event would have material adverse consequences on the financial condition of the Obligated Group.

The maintenance by an entity of its tax-exempt status depends, in part, upon its maintenance of its status as an organization described in Section 501(c)(3) of the Code. The maintenance of such status is contingent upon compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including its operation for charitable and educational purposes and its avoidance of transactions which may cause its assets to inure to the benefit of private individuals. The IRS has announced that it intends to closely scrutinize transactions between nonprofit hospitals and for-profit entities, and in particular has issued revised audit guidelines for tax-exempt hospitals. Although specific activities of hospitals, such as medical office building leases and compensation arrangements and other contracts with physicians, have been the subject of interpretations by the IRS in the form of Private Letter Rulings, many activities have not been addressed in any official opinion, interpretation or policy of the IRS. Because the Obligated Group conducts large-scale and diverse operations involving private parties, there can be no assurance that certain of its transactions would not be challenged by the IRS, which could adversely affect the tax-exempt status of the Members of the Obligated Group. The Obligated Group believes that all such transactions or arrangements in which it is involved are in compliance with applicable IRS rules and regulations.

Anti-Kickback Statute. The IRS has taken the position that hospitals which are in violation of the Anti-Kickback Law may also be subject to revocation of their tax-exempt status. See the information above under the caption "Regulation of Health Care Industry – Federal "Fraud and Abuse" Laws and Regulations." As a result, tax-exempt hospitals, such as those owned by the Members of the Obligated Group, which have, and will continue to have, extensive transactions with physicians are subject to an increased degree of scrutiny and perhaps enforcement by the IRS.

Intermediate Sanctions. The Taxpayer Bill of Rights 2, enacted on July 30, 1996, added Section 4958, commonly referred to as the "intermediate sanctions law," to the Code. Section 4958 of the Code provides the IRS with an "intermediate" tax enforcement tool that may be used as an alternative to revoking the federal tax exemption of an organization that violates the private inurement prohibition. Final IRS regulations on the intermediate sanctions law became effective January 23, 2002.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of nonprofit corporations. There can be, therefore, no assurance that future changes in the laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of the Obligated Group by requiring it to pay income or real estate taxes.

Tax-Exempt Status of the Series 2009C Bonds. Failure to comply with certain tax covenants with respect to the Series 2009C Bonds could cause interest on the Series 2009C Bonds to become subject to federal income taxation retroactively to the original date of issue of the Series 2009C Bonds. In such event, the Series 2009C Bonds are not subject to redemption solely as a consequence thereof, although the principal thereof may be accelerated.

Termination of Managed Care Contracts

Certain health maintenance and preferred provider organization contracts account for more than 33% of the revenue and/or admissions of certain hospitals of the Obligated Group. Some of these contracts can be terminated by the third-party payor at any time without the necessity of showing cause upon as little as ninety days' prior written notice. Termination of such contracts could have an adverse effect on the financial performance of these hospitals.

Labor Relations

Not-for-profit health care providers and their employees are under the jurisdiction of the National Labor Relations Board. At the present time, none of the Obligated Group's employees are members of unions or receive union wages and benefits. The Members of the Obligated Group are recruiting nurses, medical technicians, physicians in certain specialties and other qualified professional personnel. Availability of such qualified professionals in most markets served by the Obligated Group is limited. The nursing shortage has resulted in increased costs due to overtime payments and an increased use of contract nurses. Unionization of employees or a shortage of qualified professional personnel could cause an increase in payroll costs beyond those projected. The Members of the Obligated Group cannot control the prevailing wage rates in their respective service areas and any increase in such rates will directly affect the costs of their operations.

Other Risk Factors

The following factors, among others, may also affect the future operations or financial performance of the Obligated Group:

(a) Medical and other scientific advances resulting in decreased usage of hospital facilities or services, including those of the Obligated Group;

(b) Limitations on the availability of nursing and technical personnel;

(c) Decreases in population within the service areas of the Obligated Group's hospitals;

(d) Increased unemployment or other adverse economic conditions which could increase the proportion of patients who are unable to pay fully for the cost of their care;

(e) Imposition of wage and price controls for the health care industry, such as those that were imposed and adversely affected health care facilities in the early 1970s;

(f) The ability of, and the cost to, the Obligated Group to continue to insure or otherwise protect itself against malpractice claims in light of escalating increases in insurance premiums;

(g) The attempted imposition of or the increase in taxes related to the property and operations of not-for-profit organizations;

(h) The occurrence of natural disasters, including hurricanes, floods and earthquakes or terrorist actions, which may damage the Obligated Group's facilities, interrupt utility service to the facilities, or otherwise impair the operation and generation of revenues from said facilities; and

(i) Any increase in the quantity of indigent care provided which is mandated by law or required due to increased needs of the community in order to maintain the charitable status of the Members of the Obligated Group.

The occurrence of one or more of the foregoing, or the occurrence of other unanticipated events, could adversely affect the financial performance of the Obligated Group.

Other Factors

Certain Matters Relating to Security for the Series 2009C Bonds. The Obligated Group's hospitals are not pledged as security for the Series 2009C Bonds. In addition, the Obligated Group's hospitals generally are not comprised of general purpose buildings and generally would not be suitable for industrial or commercial use. Consequently, it could be difficult to find a buyer or lessee for the Obligated Group's facilities upon the occurrence of an event of default under the Master Indenture, the Bond Indenture or the Loan Agreements and, in the event of the institution of bankruptcy proceedings, the estate in bankruptcy may not realize the amount of the outstanding Bonds and other outstanding Long-Term Debt from the disposition of the Obligated Group's facilities.

Amendments to Master Indenture. Certain amendments to the Master Indenture may be made without the consent of holders of Notes; other amendments may be made with the consent of the holders of not less than 51% in aggregate principal amount of Notes then Outstanding under the Master Indenture. These amendments could be made without the consent of the holders of the Series 2009C Bonds. See ***APPENDIX C*** hereto.

Purchasers of the Series 2009C 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. See "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS – The Notes and the Master Indenture -- Supplements and Amendments to the Master Indenture" in ***APPENDIX C*** hereto.

Gross Revenues Pledge. The effectiveness of the security interest in the Gross Revenues of the Members of the Obligated Group pursuant to the Master Indenture may be limited by a number of factors, including (i) the absence of an express provision permitting assignment of receivables due any Member of the Obligated Group under the Medicare and Medicaid programs or under the contract between any Member of the Obligated Group and Blue Cross, and present or future prohibitions against assignment contained in any federal statutes or regulations; (ii) certain judicial decisions that cast doubt upon the right of the Master Trustee, in the event of the bankruptcy of any Member of the Obligated Group, to collect and retain accounts receivable from Medicare, Medicaid, general assistance and other governmental programs; (iii) statutory liens; (iv) rights arising in favor of the United States of America or any agency thereof; (v) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (vi) federal bankruptcy laws which may affect the priority of claims against the assets of the Obligated Group and the enforceability of the Bond Indenture or the security interest in the Gross Revenues which are earned by any Member of the Obligated Group within 90 days preceding and after any effectual institution of bankruptcy proceedings by or against such Member; (vii) rights of third parties in the Obligated Group's revenues converted to cash and not in the possession of the bond trustees or the Master Trustee; and (viii) claims that might gain priority if appropriate financing or continuation statements are not filed in accordance with the Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, North Carolina, Tennessee, Texas and Wisconsin Uniform Commercial Codes as from time to time in effect. In addition, the sale of Obligated Group receivables significantly limits the amount of Gross Revenues available as security. See "BONDHOLDERS' RISKS – Sale of Receivables Program."

Matters Relating to Enforceability of Certain Covenants in the Master Indenture

In determining whether various covenants and tests contained in the Master Indenture are met, the accounts of the Members of the Obligated Group will be combined for financial reporting purposes, notwithstanding uncertainties hereinafter set forth as to the enforceability of certain obligations of the Obligated Group contained in the Master Indenture which bear on the availability of the revenues of the Members of the Obligated Group for payment of debt service on the Notes, including the Series 2009C Notes.

The joint and several obligation described herein of the Members of the Obligated Group to make payments of debt service on Notes issued pursuant to and under the Master Indenture, the proceeds of which Notes were not loaned or otherwise distributed to such Member, may not be enforceable to the extent such payments: (a) are requested to make payments on any Note which was 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 which was issued for the benefit of any entity other than a Tax-Exempt Organization; (b) are requested to be made from any Property which is donor restricted or which is subject to a direct or express trust which does not permit the use of such Property for such payments; (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. Due to the absence of clear legal precedent in this area, the extent to which the Property of any present or future Member of the Obligated Group falls within category (b) referred to above cannot be determined and could be substantial.

A Member of the Obligated Group may not be required to make payments on Notes issued by or for the benefit of another Member to the extent any such payment would render such Member insolvent or would conflict with, not be permitted by or would be subject to recovery for the benefit of other creditors of such Member under applicable fraudulent conveyance, bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights. There is no clear precedent in the law as to whether payments by a Member of the Obligated Group in order to pay debt service on the Notes issued by or for the benefit of another Member may be voided by a trustee in bankruptcy in the event of a bankruptcy of the Member or by third-party creditors in an action brought pursuant to state fraudulent conveyance statutes. Under the United States Bankruptcy Code, a trustee in bankruptcy and, under state fraudulent conveyance statutes, a creditor of a related guarantor, may avoid any obligation incurred by a related guarantor if, among other bases therefor, (1) the guarantor has not received fair consideration or reasonably equivalent value in exchange for the guaranty and (2) the guaranty renders the guarantor insolvent, as defined in the United States Bankruptcy Code or state fraudulent conveyance statutes, or the guarantor is undercapitalized.

Application by courts of the tests of "insolvency," "reasonably equivalent value" and "fair consideration" has resulted in a conflicting body of case law. It is possible that, in an action to compel a Member of the Obligated Group to pay debt service on Notes issued by or for the benefit of another

Member, a court might not enforce such a payment in the event it is determined that such Member is analogous to a guarantor and that fair consideration or reasonably equivalent value for such guaranty was not received and that the incurrence of such obligation has rendered and will render the Member of the Obligated Group insolvent or the Member is or will thereby become undercapitalized or that the Member intended to incur or believed it would incur debts beyond its ability to pay at maturity.

There exist common law authority and authority under state statutes for the ability of the state courts to terminate the existence of a not-for-profit corporation or undertake supervision of its affairs on various grounds, including a finding that such corporation has insufficient assets to carry out its stated charitable purposes. Such court action may arise on the court's own motion or pursuant to a petition of the state attorney general or such 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.

In addition, the provisions of the Master Indenture provide certain limitations on the ability of a bondholder to pursue payment of Notes. See "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS – The Notes and the Master Indenture -- Defaults and Remedies" in ***APPENDIX C*** hereto.

Sale of Receivables Program

On November 21, 1996, Sunbelt entered into various agreements relating to an accounts receivable program (the "Receivables Program") pursuant to which it is selling a portion of its accounts receivable and a portion of the accounts receivable of certain of its affiliates, including other Members of the Obligated Group's accounts receivable (collectively, the "Receivables"), to the Highlands Authority on an ongoing basis. The Receivables are sold on a non-recourse basis and were purchased by the Highlands Authority originally from proceeds of $304,920,000 in currently outstanding tax-exempt bonds in its Adventist Health/System Sunbelt, Inc. Accounts Receivable Program (the "Accounts Receivable Bonds"). Such bonds have been issued from time to time beginning in 1996. The proceeds from any sale of the Receivables are invested by the Obligated Group in accordance with its investment of funds policy.

The documents relating to the Receivables Program provide for the continuous sale of the Receivables by Sunbelt to the Highlands Authority on a non-recourse basis each day subject to Sunbelt's right to suspend or terminate such sales. The Highlands Authority's purchases are financed on an ongoing basis from the collection of the proceeds of previously sold Receivables. To the extent such collections are not applied to purchase additional Receivables or pay expenses of the Receivables Program, they must be applied instead to redeem the Accounts Receivable Bonds prior to their maturity. Such collections will also be applied to pay the Accounts Receivable Bonds at maturity.

The Receivables sold pursuant to the Receivables Program are no longer the property of Sunbelt or any other seller and are thus not available to pay debt service on the Series 2009C Bonds and do not constitute collateral under the Master Indenture. The sale of the Receivables is without recourse to Sunbelt or the other sellers, and the Accounts Receivable Bonds are not reflected as indebtedness on the balance sheets of Sunbelt and the other sellers.

During 2008, the Highlands Authority restructured the Receivables Program by converting the Accounts Receivable Bonds from insured auction rate securities to variable rate demand bonds, which are supported by a bank letter of credit arrangement that expires in 2011. Additionally, the collateral requirements were also increased in connection with the restructuring of the Receivables Program.

Bond Ratings

There is no assurance that any rating assigned to the Series 2009C 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 Series 2009C Bonds.

ABSENCE OF MATERIAL LITIGATION

The Authority

There is not now pending, after service of process, or, to the knowledge of the Authority, threatened, any litigation against the Authority related to the Series 2009C Bonds that questions or affects the (i) validity of the Series 2009C Bonds or the proceedings or authority under which they will be issued or (ii) right of the Authority to enter into the Bond Indenture or the Loan Agreements or to secure the Series 2009C Bonds in the manner provided in the Bond Indenture and the relevant statutes under which the Series 2009C Bonds will be issued. Neither the creation, organization or existence of the Authority nor the title of any of the present members or other officers of the Authority to their respective offices is being contested.

The Obligated Group

There is not now pending or, to the knowledge of any Member of the Obligated Group or its counsel, threatened any litigation against the Obligated Group (i) related to the Series 2009C Bonds or the related documents or (ii) which will materially adversely affect the financial condition, business or properties of the Obligated Group.

APPROVAL OF LEGALITY

Certain legal matters incident to the authorization, issuance and sale of the Series 2009C Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel ("Bond Counsel"), who has been retained by, and acts as, Bond Counsel to the Authority. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Series 2009C Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has reviewed certain portions of this Official Statement, as set forth in the form of its opinion for the Series 2009C Bonds attached hereto as ***APPENDIX D***. Certain other legal matters will be passed upon for the Obligated Group by its counsel, GrayRobinson, P.A., Orlando, Florida; for the Authority by its special counsel, Kutak Rock LLP, Omaha, Nebraska; and for the Underwriters by their special counsel, Sonnenschein Nath & Rosenthal LLP, Chicago, Illinois.

CERTAIN RELATIONSHIPS AND POTENTIAL CONFLICTS OF INTEREST

Legal

Underwriters' Counsel has represented and Bond Counsel has represented and currently represents Health Care, Sunbelt and other Members of the Obligated Group in certain other financings and corporate matters. Neither Underwriters' Counsel nor Bond Counsel represents Health Care or any affiliate in connection with the issuance of the Series 2009C Bonds. Counsel to the Authority has represented and currently represents certain Members of the Obligated Group. However, counsel to the Authority does not represent any Member of the Obligated Group in connection with the issuance of the Series 2009C Bonds.

Multiple Fiduciary Capacities

U.S. Bank National Association ("U.S. Bank"), or its affiliates, serve in numerous capacities under documents related to Obligated Group-backed securities, including, but not limited to, Master Trustee, Bond Trustee, bond trustee for certain outstanding bonds issued for the benefit of the Obligated Group, and Dissemination Agent under the Disclosure Agreement (as defined herein). In the event of a default under certain documents related to the Series 2009C Bonds or other Obligated Group-backed securities, including, but not limited to, bankruptcy or insolvency of the Obligated Group, U.S. Bank might be directed to take, or otherwise be required to take, actions which would favor one class of security holders over another, all in accordance with the documents governing the relative priorities of the securities for which U.S. Bank serves as a fiduciary. In such a situation, a conflict of interest could arise as a result of the multiple fiduciary roles held by U.S. Bank. Such a conflict could result in the resignation of U.S. Bank from one or more of its trusteeships.

Other

The Underwriters, the Master Trustee, the Bond Trustee and certain of their affiliates provide or participate in lines of credits, letters of credit and other financial services for Members of the Obligated Group and certain affiliates.

FINANCIAL ADVISOR

Kaufman, Hall & Associates, Inc. ("KHA"), Skokie, Illinois, has been engaged by Sunbelt to provide various financial advisory services. KHA is a national consulting firm which acts as a capital advisor to healthcare organizations particularly in the areas of short and long term debt financings, joint ventures and overall capital planning.

TAX EXEMPTION

General

Federal tax law contains a number of requirements and restrictions which apply to the Series 2009C Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Series 2009C Bond proceeds and the facilities financed or refinanced therewith, and certain other matters. The Authority and the Borrowers have covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2009C Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2009C Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2009C Bonds.

Subject to compliance by the Authority and the Borrowers with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2009C Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Interest on the Series 2009C Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Authority and the Borrowers with respect to certain material facts within the knowledge of such entities and will rely on the opinion of GrayRobinson, P.A., counsel to the Borrowers, that the Borrowers are 501(c)(3) organizations, and as to certain other matters. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Code includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest including interest on the Series 2009C Bonds.

Ownership of the Series 2009C Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2009C Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Series 2009C Bonds is the price at which a substantial amount of such maturity of the Series 2009C Bonds is first sold to the public. The Issue Price of a maturity of the Series 2009C Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Series 2009C Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity of the Series 2009C Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Authority and the Borrowers comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Series 2009C Bonds who dispose of Series 2009C Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2009C Bonds in the public offering, but at a price different from the Issue Price or purchase Series 2009C Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2009C Bond is purchased at any time for a price that is less than the Series 2009C Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Series 2009C Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2009C Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2009C Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2009C Bonds.

An investor may purchase a Series 2009C Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2009C Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. Amortized bond premium reduces the amount of tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Series 2009C Bond. Investors who purchase a Series 2009C Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2009C Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2009C Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Series 2009C Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2009C Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

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 includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the Series 2009C Bonds. If an audit is commenced, under current procedures the IRS may treat the Authority as the taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2009C Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Series 2009C Bonds, are in certain cases required to be reported to the IRS. Additionally, backup withholding may apply to any such payments to any Bondholder who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bondholder who is notified by the IRS of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

The Series 2009C Bonds are being issued in part to refund bonds issued before January 1, 2009 and therefore are treated as issued before 2009 for purposes of Section 265(b)(7) of the Code relating to interest expense deductibility for financial institutions. The treatment of interest expense for financial institutions owning the Series 2009C Bonds may be less favorable than the treatment provided to owners of tax-exempt bonds treated as issued in 2009 or 2010. Financial institutions should consult their own tax advisors concerning such treatment.

Kansas

Bond Counsel is of the opinion that under the laws of the State of Kansas, as presently enacted and construed, so long as interest on the Series 2009C Bonds is not included in gross income for federal income tax purposes, interest on the Series 2009C Bonds is not subject to the tax imposed by the State of Kansas on individuals, corporations, and estates and trusts under the Kansas Income Tax Act, Article 32, Chapter 79 of the Kansas Statutes Annotated. Interest on the Series 2009C Bonds is subject to the tax imposed by the State of Kansas under Article 11, Chapter 79 of the Kansas Statutes Annotated on state banks, national banking associations, trust companies, and savings and loan associations as defined therein. No opinion is expressed with respect to any other taxes imposed by the State of Kansas or any political subdivision thereof. Ownership of the Series 2009C Bonds may result in other Kansas tax consequences to certain taxpayers, and Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2009C Bonds. Prospective purchasers of the Series 2009C Bonds should consult their own tax advisors regarding the applicability of any such taxes.

The form of the opinion of Bond Counsel is attached hereto as ***APPENDIX D***.

CONTINUING DISCLOSURE

The Obligated Group has undertaken all responsibilities for providing any continuing disclosure to holders of the Series 2009C Bonds as described below, and the Authority shall have no responsibility or liability to the holders or any other person with respect to such disclosures.

General

The Members of the Obligated Group will have covenanted for the benefit of the Bondholders and the Beneficial Owners (as hereinafter defined under this caption), pursuant to a Continuing Disclosure Agreement for the Series 2009C Bonds (the "Disclosure Agreement") among the Members of the Obligated Group and U.S. Bank National Association, as dissemination agent, to provide or cause to be provided (i) each year, certain financial information and operating data (the "Annual Report") relating to the Obligated Group (meeting certain criteria set forth in the Disclosure Agreement) by not later than 150 days after the last day of the Fiscal Year of the Obligated Group; provided, however, that if the audited financial statements of the Obligated Group are not available by such date, they will be provided when and if available, and unaudited financial statements will be included in the Annual Report; and (ii) timely notices of the occurrence of certain enumerated events, if material. Currently, the fiscal year of the Obligated Group commences on January 1. "Beneficial Owners" means, under this caption only, any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Series 2009C Bonds (including persons holding Series 2009C Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2009C Bonds for federal income tax purposes.

Effective July 1, 2009, the Annual Report and notices of material events will be filed by or on behalf of the Obligated Group with the Municipal Securities Rulemaking Board ("MSRB"), in an electronic format as prescribed by the MSRB. The MSRB has initially designated its Electronic Municipal Market Access system ("EMMA"), found at http://emma.msrb.org, as the sole repository for such disclosure filings. Prior to July 1, 2009, these filings were made with each Nationally Recognized Municipal Securities Information Repository ("NRMSIR") and with the Florida State Information Depository. Effective July 1, 2009, the MSRB through EMMA will be the sole NRMSIR. The covenants described in the foregoing paragraph have been made in order to assist the Underwriters and registered brokers, dealers and municipal securities dealers in complying with the requirements of Rule 15c2-12 (the "Rule") promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended, in the event the Rule applies. In addition, Sunbelt, as Obligated Group disclosure representative, will also cause to be filed with the MSRB copies of the Obligated Group's unaudited quarterly financial statements prepared by management within 45 days of the end of each fiscal quarter. Such quarterly financial statements will be prepared in accordance with GAAP. Any deviation from GAAP will be set forth in a quantified explanation of material deviations from GAAP accompanying the quarterly financial statements. Upon written request, Sunbelt, as Obligated Group disclosure representative, will provide any Bondholder with a copy of the most recent Annual Financial Information (as hereinafter defined under this caption), any material event notice and/or the most recent quarterly financial statements, all as filed with the MSRB. "*Annual Financial Information*" means, with respect to the prior fiscal year, the financial information, which shall be based on combined financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") or accompanied by a quantified explanation of material deviations from GAAP or a full explanation of the accounting principles used, and operating data with respect to the Obligated Group substantially similar in form and scope to the financial information and operating data (relating to utilization and sources of revenue) set forth in the front part of the Official Statement under the caption "PRO FORMA FINANCIAL RATIOS" (on a historic basis) and set forth in *APPENDIX A* to the Official Statement under the captions "THE OBLIGATED GROUP'S HOSPITALS," "UTILIZATION STATISTICS" and "SOURCES OF PATIENT SERVICE REVENUES". Such Annual Financial Information shall include, among other things, separate audited financial statements of each Member of the Obligated Group or audited combined financial statements including the Members of the Obligated Group, provided, however, that if audited financial statements for or including the Members of the Obligated Group are not available by the deadline for filing the Annual Financial Information, they shall be promptly provided when and if available and unaudited combined financial statements shall be included in the Annual Financial Information.

Notice of Certain Events, if Material

The Members of the Obligated Group covenant to provide, or cause to be provided, notice of the occurrence of any of the following events with respect to the Series 2009C Bonds, if material, in a timely manner and in accordance with the Rule:

(1) Principal and interest payment delinquencies;

(2) Nonpayment-related defaults;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financing difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions or events adversely affecting the tax-exempt status of the security;

(7) Modifications to rights of the security holders;

(8) Bond calls;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the securities; and

(11) Rating changes.

Annual Report

The Annual Report will contain or incorporate by reference at least the following items:

(a) The audited financial statements of the Obligated Group for the fiscal year immediately preceding the due date of the Annual Report; provided, however, that if such audited financial statements are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements shall be included in the Annual Report. The financial statements shall be audited and prepared pursuant to accounting and reporting policies conforming in all material respects to GAAP or accompanied by a quantified explanation of material deviations from GAAP, if possible, or a full explanation of the accounting principles used.

(b) An update of the material financial information and material operating data of the same general nature as that contained in the front part of the Official Statement under the caption "PRO FORMA FINANCIAL RATIOS" (on a historic basis) and contained in ***APPENDIX A*** under the captions "THE OBLIGATED GROUP'S HOSPITALS," "UTILIZATION STATISTICS" and "SOURCES OF PATIENT SERVICE REVENUES."

Any or all of the items listed above may be included by specific reference to other documents which previously have been provided to each of the repositories described above or filed with the SEC. If the document included by reference is a final Official Statement, it must be available from the MSRB. Sunbelt shall clearly identify each such other document as included by reference.

Failure to Comply

In the event of a failure of the Obligated Group to comply with any provision of the Disclosure Agreement, any Bondholder or Beneficial Owner may seek specific performance by court order to cause the Obligated Group to comply with the obligations under the Disclosure Agreement. A failure to comply with the Disclosure Agreement shall not be deemed an Event of Default under the Bond Indenture. The sole remedy under the Disclosure Agreement in the event of any failure of the Obligated Group to comply with the Disclosure Agreement shall be an action to compel performance, and no person or entity shall be entitled to recover monetary damage thereunder under any circumstances.

Amendment of the Disclosure Agreement

The provisions of the Disclosure Agreement, including but not limited to the provisions relating to the accounting principles pursuant to which the financial statements are prepared, may be amended or terminated as deemed appropriate by Sunbelt; provided, however, that at any time there is no applicable exemption under the Rule, any such amendment or termination must be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretation thereof made from time to time by the SEC. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of any Obligated Person or the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Series 2009C Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the Obligated Group (such as independent legal counsel). The foregoing interpretations may be changed in the future.

INDEPENDENT AUDITORS

The combined financial statements of the Obligated Group as of December 31, 2008 and 2007 and for the years then ended, appearing in ***APPENDIX B*** to this Official Statement, have been audited by Ernst & Young LLP, independent certified public accountants, as stated in their report thereon appearing in ***APPENDIX B*** to this Official Statement.

INTERIM FINANCIAL INFORMATION

The Obligated Group's unaudited condensed combined interim financial statements as of March 31, 2009 and for the three-month periods ended March 31, 2009 and 2008 are available from the NRMSIRs. A current list of the NRMSIRs is available from the SEC's website at www.sec.gov/info/municipal/nrmsir.htm. The unaudited condensed combined financial statements were prepared by management of Sunbelt in accordance with GAAP. Operating results for the three months ended March 31, 2009 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2009. The financial information for the Obligated Group that is available from the NRMSIRs is incorporated herein by reference and should be read in conjunction with the combined financial statements, related notes, and other financial information included in this Official Statement, including the Appendices.

RATINGS

Fitch has assigned the Series 2009C Bonds a rating of AA-, S&P has assigned the Series 2009C Bonds a rating of A+ and Moody's has assigned the Series 2009C Bonds a rating of A1. A report, which outlines the basis for the current rating by each rating agency, has been or will be issued by each rating agency in connection with the issuance of its rating and a copy may be obtained by contacting the applicable rating agency. An explanation of the significance of the ratings may be obtained from the applicable rating agency. The ratings are not a recommendation to buy, sell or hold the Series 2009C Bonds. There can be no assurance that the ratings will continue for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the applicable rating agency. Any such downward changes in or suspension or withdrawal of any of such ratings may have an adverse effect on the secondary market price and liquidity of the Series 2009C Bonds.

UNDERWRITING

The Series 2009C Bonds are being purchased by B.C. Ziegler and Company, J.P. Morgan Securities Inc., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively, the "Underwriters"). The Underwriters have agreed to purchase the Series 2009C Bonds at an aggregate purchase price of $325,394,416.65 (par less net original issue discount) pursuant to the bond purchase agreement entered into by and between the Authority and B.C. Ziegler and Company, as representative of the Underwriters, and approved by the Group Representative. In addition, pursuant to the bond purchase agreement the Obligated Group will pay the Underwriters a fee of $3,574,072.80. The bond purchase agreement also provides that the Underwriters will purchase all of the Series 2009C Bonds if any are purchased, and that the Obligated Group will indemnify the Underwriters and the Authority against losses, claims and liabilities arising out of any untrue statement of a material fact contained in this Official Statement or the omission herefrom of any material fact in connection with the transactions contemplated by this Official Statement. The initial offering prices may be changed, from time to time, by the Underwriters. The Underwriters are utilizing a selling group to assist in the initial sale of the Series 2009C Bonds and will share with selling group members a portion of the underwriting compensation with respect to the Series 2009C Bonds.

J.P. Morgan Securities Inc., one of the underwriters of the Series 2009C Bonds, has entered into an agreement (the "Distribution Agreement") with UBS Financial Services Inc. for the retail distribution of certain municipal securities offerings, including the Series 2009C Bonds, at the original issue prices. Pursuant to the Distribution Agreement, J.P. Morgan Securities Inc. will share with UBS Financial Services Inc. a portion of its underwriting compensation with respect to the Series 2009C Bonds.

Citigroup Inc., parent company of Citigroup Global Markets Inc., an underwriter of the Series 2009C Bonds, has entered into a retail brokerage joint venture with Morgan Stanley. As part of the joint venture, Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Citigroup Global Markets Inc. will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2009C Bonds.

MISCELLANEOUS

The references herein to the Bond Indenture, the Loan Agreements, the Master Indenture, the Series 2009C Notes and the Disclosure Agreement are brief outlines of certain provisions thereof. Such outlines do not purport to be complete, and for full and complete statements of such provisions reference is made to the Bond Indenture, the Loan Agreements, the Master Indenture, the Series 2009C Notes and the Disclosure Agreement. Copies of the documents mentioned under this heading will be available for inspection following issuance of the Series 2009C Bonds, at the corporate trust office of the Bond Trustee in Orlando, Florida.

It is contemplated that CUSIP identification numbers will be printed on the Series 2009C Bonds, but neither the failure to print such numbers nor any error in the printing of such numbers shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for any Series 2009C Bonds.

Neither any advertisement of the Series 2009C Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2009C Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

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

The Authority has furnished the information contained herein under the captions "INTRODUCTORY STATEMENT – The Authority," "THE AUTHORITY" and "ABSENCE OF MATERIAL LITIGATION – The Authority."

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

ADVENTIST HEALTH SYSTEM/SUNBELT,
INC., for itself and as Group Representative

By: s/ Gary Skilton
Authorized Agent

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APPENDIX A

THE OBLIGATED GROUP

The information contained in this Appendix A has been obtained from Sunbelt and from other sources as shown herein.

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HISTORY AND BACKGROUND

The Obligated Group[1]

Adventist Bolingbrook Hospital ("Bolingbrook"), an Illinois not-for-profit corporation, Adventist GlenOaks Hospital ("GlenOaks"), an Illinois not-for-profit corporation, Adventist Health System Georgia, Inc. ("AHS/Georgia"), a Georgia nonprofit corporation, Adventist Health System/Sunbelt, Inc. ("Sunbelt"), a Florida not-for-profit corporation, Adventist Hinsdale Hospital ("Hinsdale"), an Illinois not-for-profit corporation, Chippewa Valley Hospital & Oakview Care Center, Inc. ("Chippewa"), a Wisconsin nonprofit, nonstock corporation, Fletcher Hospital, Incorporated ("Fletcher"), a North Carolina nonprofit corporation, Florida Hospital Waterman, Inc. ("Waterman"), a Florida not-for-profit corporation, Florida Hospital Zephyrhills, Inc. ("Zephyrhills), a Florida not-for-profit corporation, Jellico Community Hospital, Inc. ("Jellico"), a Tennessee nonprofit corporation, Memorial Health Systems, Inc. ("MHS"), a Florida not-for-profit corporation, Memorial Hospital, Inc. ("Memorial"), a Kentucky nonprofit corporation, Memorial Hospital – Flagler, Inc. ("Flagler"), a Florida not-for-profit corporation, Memorial Hospital – West Volusia, Inc. ("West Volusia"), a Florida not-for-profit corporation, PorterCare Adventist Health System ("PorterCare"), a Colorado nonprofit corporation, Shawnee Mission Medical Center, Inc. ("Shawnee Mission"), a Kansas nonprofit corporation, and Southwest Volusia Healthcare Corporation ("SVHC"), a Florida not-for-profit corporation (individually, a "Member," and collectively, the "Obligated Group"), own 33 hospitals and operate one hospital under a long-term lease.[2] See "THE OBLIGATED GROUP'S HOSPITALS" herein.

The Church

Entities that subscribe to the principles of the Seventh-day Adventist Church (the "Church") have been involved in the health care field since the latter part of the 19th century. Certain of these entities sponsor some 700 health care and other charitable institutions around the world, including approximately 60 hospitals in the United States. **NEITHER THE CHURCH, HEALTH CARE (DEFINED BELOW) NOR ANY OTHER PERSON, EXCEPT THE OBLIGATED GROUP, IS LEGALLY LIABLE FOR THE DEBT OF THE OBLIGATED GROUP. THE OBLIGATED GROUP IS NOT LIABLE FOR THE DEBT OF ANY OTHER PERSON EXCEPT TO THE EXTENT DESCRIBED HEREIN OR IN THE OBLIGATED GROUP'S COMBINED FINANCIAL STATEMENTS.**

The Church determined in the early 1970s that a system of centralized management and coordination would provide more efficient operations for the extensive network of health care organizations in the United States. Thus, at its Annual Council in 1972, the General Conference of Seventh-day Adventists suggested the establishment of eight regional health care corporations in the United States. Today, five regional corporations own and operate these health care entities in the United States.

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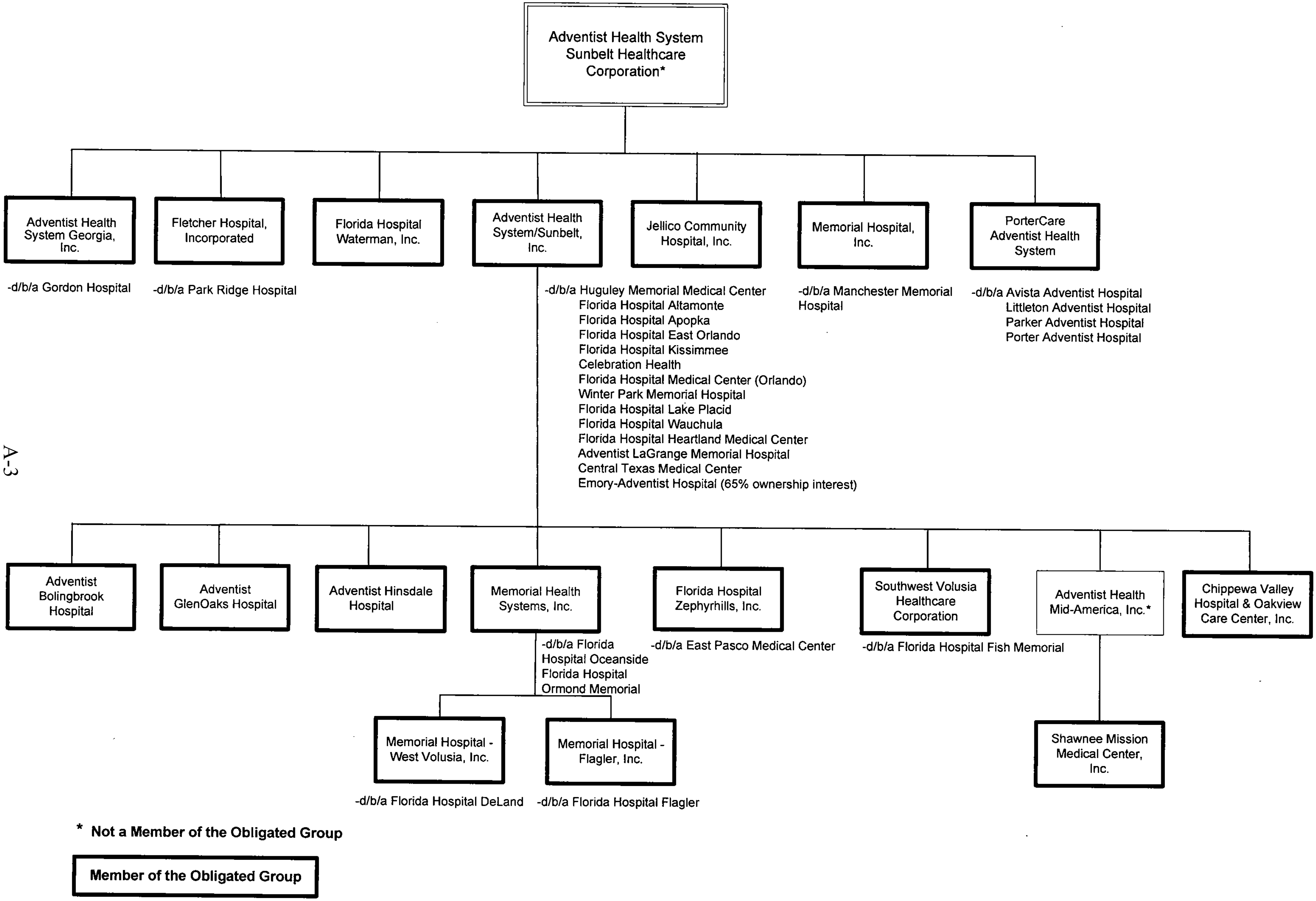
1 Metroplex Adventist Hospital, Inc. ("Metroplex"), a Texas nonprofit corporation, withdrew from the Obligated Group effective September 24, 2008. See "RECENT EVENTS AND FUTURE PLANS – Affiliations, Joint Ventures, Acquisitions and Divestitures."

2 Adventist Bolingbrook Hospital, the newest Obligated Group hospital, opened on January 21, 2008.

Corporate Structure

Adventist Health System Sunbelt Healthcare Corporation ("Health Care"), a Florida not-for-profit corporation, is the sole corporate member of Sunbelt, AHS/Georgia, Fletcher, Waterman, Jellico, Memorial and PorterCare. Sunbelt is the sole corporate member of Hinsdale, GlenOaks, Chippewa, Zephyrhills, SVHC, MHS, Bolingbrook, and Adventist Health Mid-America, Inc., a Kansas nonprofit corporation ("Mid-America"). MHS is the sole corporate member of West Volusia and Flagler. Mid-America is the sole corporate member of Shawnee Mission. Health Care manages all hospitals owned or operated by the Obligated Group (except for the PorterCare and Zephyrhills hospitals), 17 long-term care facilities and certain home health care activities. Health Care has delegated to Centura Health Corporation ("Centura"), a Colorado nonprofit corporation and joint operating company of which PorterCare and Catholic Health Initiatives, a Colorado nonprofit corporation ("CHI"), are each members (the "Centura Members"), managerial and operational authority over the facilities owned by PorterCare. Certain major matters regarding PorterCare or CHI (each a "Managed Facility") must be approved by the Centura Board of Trustees and both Centura Members. Pasco-Pinellas Hillsborough Community Health System, Inc. ("PHCHS"), a Florida not-for-profit corporation, has managerial and operational authority over Zephyrhills. Health Care and University Community Hospital, Inc. ("UCH""), a Florida not-for-profit corporation, are the sole members of PHCHS with each owning a 50% interest in PHCHS. An organization chart of the Obligated Group is set forth on the following page.

Corporate Structure of the Obligated Group



GOVERNANCE

Membership

The regular membership of Health Care is comprised of five groups: (i) the Executive Committee of the Southern Union Conference of Seventh-day Adventists; (ii) the Executive Committee of the Southwestern Union Conference of Seventh-day Adventists; (iii) the Executive Committee of the Lake Union Conference of Seventh-day Adventists, provided, however, that their number shall not exceed 19% of the regular membership of Health Care; (iv) the Executive Committee of the Mid-America Union Conference of Seventh-day Adventists, provided, however, that their number shall not exceed 19% of the regular membership of Health Care; and (v) the individuals comprising the Board of Directors of Health Care to the extent that they are not otherwise represented in (i), (ii), (iii) or (iv). In addition, special members of Health Care may be elected for any single regular or special meeting of the Health Care members by a two-thirds vote of the regular members of Health Care. The Executive Committees of the aforementioned four Unions are composed of the administrative leaders and select laymen of the Church and its institutions in the southeastern, southwestern, midwestern and great lakes regions of the United States.

Sunbelt accounts for a majority of the combined income and revenues of the Obligated Group. See "THE OBLIGATED GROUP'S HOSPITALS" herein.

Boards of Directors

The Articles of Incorporation and the bylaws of each Member of the Obligated Group provide that its business and affairs shall be managed by its Board of Directors, except as limited with respect to PorterCare by the rights of Centura and the Centura Members. Directors of the Board of Health Care, who must support the goals and objectives of the Church, are elected for five-year terms by its membership. The bylaws of each Member of the Obligated Group provide that its sole corporate member shall elect the directors to the Board of such Member of the Obligated Group. The bylaws of each Obligated Group Member for which Sunbelt serves as the sole corporate member provide that certain responsibilities and authority are reserved to Sunbelt but may be delegated to Health Care. Pursuant to the bylaws of each Obligated Group Member for which MHS serves as sole corporate member, certain responsibilities and authority that MHS has with respect to such entities have been delegated to Sunbelt.

Sunbelt's Articles of Incorporation provide that Sunbelt shall have no more than 22 Directors. The bylaws provide that the members of the Board of Directors of Sunbelt shall be those persons who are members in good standing of the Executive Board of the Board of Directors of Health Care. Currently, the Board of Directors of Sunbelt meets approximately quarterly.

Listed on the following two pages is a chart with the current members of the Board of Directors of Sunbelt. While the Board of Directors of Sunbelt is listed, the boards of directors of the other Members of the Obligated Group are not listed because Sunbelt was responsible for approximately 53% of the total operating revenue of the Obligated Group during the year ended December 31, 2008, and because Sunbelt has certain additional responsibilities as the Group Representative under the Master Indenture. The chart lists the Board members, their Board or corporate offices and their occupations.

Board Member	Office	Occupation
Max A. Trevino	Chairman	President, Southwestern Union Conference of Seventh-day Adventists Burleson, Texas
Roscoe J. Howard, III	Vice Chairman	President, Mid-America Union Conference of Seventh-day Adventists Lincoln, Nebraska
Gordon L. Retzer	Vice Chairman, Secretary	President, Southern Union Conference of Seventh-day Adventists Decatur, Georgia
Donald L. Jernigan, Ph.D.	President/Chief Executive Officer	President/Chief Executive Officer, Health Care and Sunbelt Winter Park, Florida
Mardian J. Blair	Director	Retired, Former President Health Care and Sunbelt Lake Forest, Florida
Michael F. Cauley	Director	President, Florida Conference of Seventh-day Adventists Winter Park, Florida
Kenneth A. Denslow	Director	President, Illinois Conference of Seventh-day Adventists Westmont, Illinois
Samuel L. Green	Director	Secretary, Southwestern Union Conference of Seventh-day Adventists Burleson, Texas
Rodney A. Grove	Director	Secretary, Lake Union Conference of Seventh-day Adventists Berrien Springs, Michigan
Elaine M. Hagele	Director	Vice President for Finance, Mid-America Union Conference Lincoln, Nebraska
Leighton R. Holley	Director	President, Texas Conference of Seventh-day Adventists Alvarado, Texas
Lars D. Houmann	Director	President/Chief Executive Officer, Florida Hospital and the State of Florida Division of Health Care and Sunbelt Orlando, Florida
J. Deryl Knutson	Director	Treasurer, Southwestern Union Conference of Seventh-day Adventists Burleson, Texas
Thomas L. Lemon	Director	Vice President for Administration, Mid-America Union Conference Lincoln, Nebraska
Don Livesay	Director	President, Lake Union Conference of Seventh-day Adventists Berrien Springs, Michigan

Board Member	Office	Occupation
Randy Robinson	Director	Treasurer, Southern Union Conference of Seventh-day Adventists Decatur, Georgia
Glynn C.W. Scott	Director	Treasurer, Lake Union Conference of Seventh-day Adventists Berrien Springs, Michigan
Ron C. Smith	Director	Secretary, Southern Union Conference of Seventh-day Adventists Decatur, Georgia
Thomas L. Werner	Director	Retired, Former President/Chief Executive Officer, Health Care and Sunbelt Eustis, Florida

* Florida Hospital includes Florida Hospital Orlando, Florida Hospital Altamonte, Florida Hospital Apopka, Florida Hospital East Orlando, Florida Hospital Kissimmee, Celebration Health and Winter Park Memorial Hospital. See "DESCRIPTION OF FLORIDA HOSPITAL" herein.

Conflicts of Interest Policy

Board members abide by the Conflicts of Interest Policy of Health Care and Sunbelt. Under the Conflicts of Interest Policy, members of the Board and principal officers are required to report to the Board any direct or indirect financial interest in any entity with which Health Care or a member hospital or member organization has a transaction or arrangement. Members of the Board are required to disclose all such potential conflicts and are required to abstain from voting on transactions involving conflicts of interest. Certain members of the Board have financial affiliations with businesses, associations, firms or persons that have professional relationships with Health Care, Sunbelt or an affiliate and comply with the Conflicts of Interest Policy with respect to such affiliations.

ADMINISTRATION OF HEALTH CARE AND SUNBELT

The day-to-day operations and long-term management planning for Sunbelt are handled by the key officers listed below. These individuals are also the principal operating officers of Health Care.

Donald L. Jernigan, Ph.D., President/Chief Executive Officer

Dr. Jernigan, age 64, was appointed President of Health Care and Sunbelt in February 2006. Prior to his appointment as President, he served as President of Florida Hospital and the State of Florida Division of Health Care beginning in 2000 and served concurrently as Executive Vice President of Health Care and Sunbelt, a position to which he was appointed in 1992. He was President of the Tennessee/Georgia Region and also of Sunbelt's Tennessee Christian Medical Center in Nashville, Tennessee from April 1987 to November 1992. From 1992 through 2000, Dr. Jernigan oversaw Health Care's Multistate Hospital Division, which includes all hospitals that are located outside of Florida and that are operated by Health Care or its affiliates.

He previously had been a Senior Vice President of Sunbelt in 1986 and early 1987. From November 1983 until December 1985 he was President of Metroplex Hospital in Killeen, Texas, and from July 1982 until October 1983 he was Administrator of the Medical Arts Center in that same city.

He received a Doctor of Philosophy degree in Physical Chemistry in 1972 from Baylor University and a Bachelor of Science degree in Chemistry from the University of Texas-Arlington in 1967.

Prior to his career in health care, Dr. Jernigan served in higher education in the positions of Professor of Chemistry, Department Chairman and Vice President for Academic Affairs and Executive Vice President. Dr. Jernigan served on active duty as an officer in the United States Navy. Dr. Jernigan is a member of the American College of Healthcare Executives. He is a member of Sigma Xi, the Scientific Research Society. He has been a Board Member of the United Way, a senior citizens planning commission, several Chambers of Commerce, an industrial development foundation, and has been active in Rotary International. Dr. Jernigan serves on the boards of a number of hospitals.

Lars D. Houmann, President/Chief Executive Officer, Florida Hospital and the State of Florida Division

Mr. Houmann, age 51, was appointed the President and Chief Executive Officer of Florida Hospital, as well as the State of Florida Division of Health Care, which includes Adventist Health System's seventeen hospitals in Florida, in February of 2006. Since 2001, Mr. Houmann had served as the Executive Vice President and Chief Operating Officer for Florida Hospital. Mr. Houmann has been with Florida Hospital since 1993 and has served in various executive capacities during that time. He has been responsible for several major hospital expansion projects, and was instrumental in the development and successful launch of Celebration Health, a state-of-the-future health care facility opened in 1998 in the Walt Disney Company's community of Celebration.

Mr. Houmann graduated from Columbia Union College in 1979 with a Bachelor's degree in Business Administration. He received his Master of Healthcare Administration degree from Loma Linda University in 1981. Mr. Houmann is board certified in healthcare administration as a Diplomate of the American College of Healthcare Executives. He has spent his entire career in hospital administration, serving at hospitals in Massachusetts, California, Arizona and Florida. He has experience with small community hospitals, multi-hospital systems, and large tertiary teaching hospitals in both the for-profit and not-for-profit sectors.

Mr. Houmann serves his community through volunteer involvement with organizations such as Heart of Florida United Way, Shepherd's Hope Clinics, and the Forest Lake Seventh-day Adventist Church. He is actively participating in international health care mission projects in South America and Africa.

Richard K. Reiner, President/Chief Executive Officer, Multi-State Division

Mr. Reiner, age 62, was appointed President and Chief Executive Officer of the Multi-State Hospital Division of Health Care and Sunbelt in March 2006. Prior to this appointment, he served as Executive Vice President for the State of Florida Hospital Division of Health Care and Florida Hospital. In that role, he was the regional executive and board chairman of the 10 Hospitals in Florida, not part of Greater Orlando. Mr. Reiner also gave executive direction to all of the managed care contracting for the 17 hospitals in the State of Florida and to Florida Hospital's physician practice ownership and management program. During the same time period, he served as President and Chief Executive Officer of the Rocky Mountain Region of Health Care.

Between 1990 and 2000, Mr. Reiner served as facility administrator of Florida Hospital East Orlando and Florida Hospital Altamonte. Between 1985 and 1990, he served in a variety of executive capacities with Florida Hospital and provided strategic direction to all areas of risk management.

Prior to joining Florida Hospital, he served as Vice President of Finance for Southern Adventist University in Collegedale, Tennessee for eight years. Between 1969 and 1977, Mr. Reiner worked in personnel administration in various agencies of Nebraska State government in Lincoln, Nebraska.

Mr. Reiner received his Bachelor of Science degree in Business Administration from Union College in Lincoln, Nebraska, in 1969.

Mr. Reiner has held a wide variety of board positions for the past 30 years and currently serves as a board member of the Union College Board of Trustees, Chairman of the Board of Junior Achievement of Central Florida, and as a member of the Board of Trustees of the Florida Hospital Association.

Terry D. Shaw, Chief Financial Officer

In March 2006, Mr. Shaw, age 46, was appointed Chief Financial Officer of Health Care and Sunbelt. Prior to this appointment, he served from January 2000 as Senior Vice President and Chief Financial Officer of Health Care and Sunbelt, and he was the Senior Vice President/Chief Financial Officer for the State of Florida Division of Health Care from 1996 until 2000.

He worked at Florida Hospital from 1987 to 1996 in the following capacities: Director of Process Improvement Management, Assistant Vice President and Vice President with responsibilities that included process improvement management, case management, health information management, risk management, patient relations, and the medical staff/hospital staff quality improvement process.

Mr. Shaw is a Certified Public Accountant. He received his Bachelor of Science degree in Accounting and Computer Science from Southern Adventist University in Collegedale, Tennessee in 1984, and a Master of Business Administration degree from the University of Central Florida, Orlando, Florida in 1990.

Mr. Shaw is a member of the American College of Healthcare Administrators, the Healthcare Financial Management Association, and several other professional and service organizations.

Brent G. Snyder, Chief Information Officer

Mr. Snyder, age 53, was appointed Chief Information Officer of Health Care in October 2002. Mr. Snyder served as Senior Financial Officer of Health Care from January 2000 to October 2002 and served concurrently as Chief Financial Officer of Health Care's Multistate Hospital Division, a position he held since 1997. Mr. Snyder has more than 20 years' experience with Health Care. Previously, Mr. Snyder served as Vice President and later as Chief Financial Officer of Tennessee Christian Medical Center. He also previously served as Chief Financial Officer of Takoma Adventist Hospital in Greenville, Tennessee and Chief Financial Officer of Florida Hospital Heartland.

Mr. Snyder has an Associate's Degree in Computer Science and a Bachelor's Degree in Business with an emphasis in accounting and management from Southern Adventist University; a Master's Degree in Business from the University of South Carolina; and a Doctorate in Jurisprudence from the Nashville School of Law. He is also a Certified Public Accountant and a Fellow of the Healthcare Financial Management Association.

Jeffrey S. Bromme, Senior Vice President, Chief Legal Officer

Mr. Bromme, age 48, has been appointed Senior Vice President, Chief Legal Officer of Health Care, effective June 22, 2009.

As Chief Legal Officer, Mr. Bromme will provide leadership and direction for the legal services function of Health Care by supervising and managing the Legal Services team.

Before joining Health Care, he was a partner in the law firm of Arnold & Porter LLP in Washington, D.C. since 2000. Prior to that, he served as General Counsel at the United States Consumer Product Safety Commission for almost three years. In 1987, Mr. Bromme joined Arnold & Porter LLP as an associate and became a partner in 1994.

Mr. Bromme received a Juris Doctor in 1986 from the University of Texas School of Law and a Bachelor of Science degree in 1983 from Southwestern Adventist College. He is licensed to practice law in the District of Columbia.

John R. Brownlow, Senior Vice President, Managed Care

Mr. Brownlow, age 46, was appointed Senior Vice President of Managed Care for Health Care and Sunbelt in 2007. In that role, he provides leadership for managed care relationships, strategy, contracting and contract management for hospitals, ancillary services and affiliated physician practices. Prior to this appointment, Mr. Brownlow served in various executive managed care capacities within Health Care and Sunbelt since 1991, including development and leadership of several physician/hospital organizations. Prior to joining Health Care and Sunbelt, he held several financial management positions in the long-term health care field.

Mr. Brownlow has Bachelor degrees from Southern Adventist University, Collegedale, Tennessee in both Accounting and Long-Term Health Care and received a Master's degree in Business Management and Organization from the University of Colorado.

Mr. Brownlow is a board member of the Florida Association of Managed Care Professionals and chairs its managed care legislative committee.

Robert R. Henderschedt, Senior Vice President for Administration

Mr. Henderschedt, age 57, was appointed Senior Vice President for Administration of Health Care and Sunbelt in September 1998.

He served as Executive Vice President and Chief Operating and Financial Officer from 1994 to 1998 and as Senior Vice President and Chief Financial Officer from 1983 to 1994 of Kettering Medical Center, Kettering, Ohio. Before his service at Kettering Medical Center, his prior positions included Vice President and Chief Financial Officer of Loma Linda University Medical Center from 1979 to 1983; Assistant Administrator of Tidewater Memorial Hospital, Tappahannock, Virginia from 1977 to 1979 and Controller from 1974 to 1977; and Assistant Controller of Clasco, Inc., Rockville, Maryland from 1972 to 1974.

Mr. Henderschedt received his Bachelor of Science Degree in Business Administration from Columbia Union College in 1973 and took graduate classes in health care administration at Loma Linda University in 1981 and 1982.

Mr. Henderschedt is a Diplomate of the American College of Health Care Executives and an Advanced Member of the Healthcare Financial Management Association. He has served on several community boards, including the Dayton Art Institute, Community Blood Center, Miami Lukendrug Wholesalers, Rotary, and various Seventh-day Adventist entities and hospitals.

Loran D. Hauck, M.D., Senior Vice President/Chief Medical Officer, Office of Clinical Effectiveness

Dr. Hauck, age 57, was appointed Senior Vice President for Medical Affairs/Chief Medical Officer of Health Care and Sunbelt in 2007 and before that served as Vice President for Medical Affairs/Chief Medical Officer of Health Care and Sunbelt from 2000. Prior to assuming this position he was President of Sunbelt Medical Management, which was a fully owned subsidiary of Health Care, and Medical Director for the Multistate Division of Health Care.

Prior to joining Health Care, he was the Medical Director for the Loma Linda Faculty Medical Group. This was the faculty practice plan for Loma Linda University School of Medicine in Loma Linda, California. He held this position from 1989 to 1995.

He received his Doctor of Medicine degree from Loma Linda University School of Medicine in 1976. He also received his Bachelor of Science degree from Loma Linda University.

Dr. Hauck is certified by the American Board of Internal Medicine and the American Board of Quality Assurance and Utilization Review Physicians. He was in the private practice of general internal medicine from 1979 to 1988 before leaving for a position in academic medicine. He is a member of the American College of Physicians, the American College of Physician Executives, and the American Medical Association.

Sandra K. Johnson, Senior Vice President for Business Development, Compliance & Risk Management

Ms. Johnson, age 48, was appointed Senior Vice President for Business Development in 2008 and Vice President for Business Development for Health Care and Sunbelt in 1997. She also serves as the Chief Compliance Officer for Health Care and Sunbelt.

From 1995 to 1997, she was President and Chief Executive Officer of American Medical HealthCare, a health maintenance organization based in Orlando, Florida. She previously had been Vice President of Business Development at Florida Hospital from 1991 to 1995, with responsibilities in the areas of managed care and physician practice management. From 1987 to 1991 she was Vice President at Glendale Adventist Medical Center, a 484-bed facility in Glendale, California, and from 1983 to 1987 she began her administrative career at Florida Hospital in finance, as well as in the capacity of Director of Strategic Planning.

Ms. Johnson received a Master in Business Administration degree in 1987 from the Crummer School of Business/Rollins College in Winter Park, Florida. She also received a Bachelor of Business Administration Degree with a concentration in accounting in 1983 from Andrews University in Berrien Springs, Michigan.

She is a member of several professional organizations and serves on the board of the Orlando Chapter of the American Heart Association.

John W. McLendon, Senior Vice President of Information Services, Chief Information Officer

Mr. McLendon, age 46, was appointed Senior Vice President of Information Services and Chief Information Officer (CIO) in 2008.

He has an extensive background in health care leadership that includes serving as Vice President and CIO of Bayfront Health System, system director for planning and project management at Banner Health System and vice president/CIO for EDIX.

Mr. McLendon received a Master's degree in Business Administration in 1995 from the University of Houston and a Bachelor's degree in Computer Information Systems in 1984 from Jacksonville University.

Mr. McLendon is an active member in a number of organizations, including the College of Healthcare Information Management Executives and the Healthcare Information Management and Systems Society.

Paul C. Rathbun, Senior Vice President of Finance

Mr. Rathbun, age 49, was appointed Senior Vice President of Finance for Health Care and Sunbelt in 2007 and before that served as Vice President of Finance for Health Care and Sunbelt from 2002. He is responsible for certain of the core financial functions at the corporate office, including Corporate Reimbursement, Tax and the Internal Audit Departments, and provides leadership in the coordination of the external audit and financial reporting. Mr. Rathbun is the senior finance officer responsible for financial operations oversight of nine of the Obligated Group's hospitals, and Adventist Care Centers, Health Care's long-term care division ("Care Centers"). In addition, he chairs the Finance Committees of Huguley Memorial Medical Center, Shawnee Mission Medical Center, Park Ridge Hospital and Care Centers.

Before joining Health Care, he served as the Chief Financial Officer for two long-term care companies and for certain hospitals owned and operated by Hospital Corporation of America (HCA Inc.). Prior to his industry experience, Mr. Rathbun was a director in the health care audit practice of Price Waterhouse in Florida.

Mr. Rathbun has a Bachelor's Degree in Accounting from Southern Adventist University and is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Lewis A. Seifert, Senior Vice President, Finance; Senior Finance Officer, Florida Hospital

Mr. Seifert, age 53, was appointed Senior Vice President of Finance for Health Care and Sunbelt and Senior Finance Officer for Florida Hospital in 2007. In this role, he provides administrative oversight to the hospital chief financial officers and chairs the finance boards of the ten hospitals in the division located outside the metropolitan Orlando market. In addition to providing financial leadership to Florida Hospital, Mr. Seifert also provides leadership to the Revenue Cycle Departments of Health Care, including Patient Financial Services, Case Management, Health Information Management and Charge Description Master Support. Prior to this appointment, Mr. Seifert was Vice President of Finance at Florida Hospital and before joining Health Care and Sunbelt, he was the Chief Financial Officer for Winter Park Memorial Hospital (before Sunbelt acquired it) and the Central Florida Division of HCA Inc.

Mr. Seifert has a Bachelor's degree in Accounting from the University of Central Florida. He is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Gary Skilton, Senior Vice President and Treasurer

Mr. Skilton, age 57, was appointed Senior Vice President and Treasurer of Health Care and Sunbelt in 2007 and before that served as Vice President and Treasurer of Health Care and Sunbelt from 1990. He had 17 years of financial management experience prior to joining Health Care and Sunbelt. He served as Senior Vice President and Chief Financial Officer of Adventist Living Centers in Warrenville, Illinois from 1987 to 1990. From 1982 to 1986, he served as Vice President and Treasurer of Adventist Health System/North and in the same capacity for Adventist Health System/NEMA from 1986 to 1987. From 1973 to 1982, he held various financial management positions with Warner Electric Brake and Clutch Company, Inc. in South Beloit, Illinois, and with the certified public accounting firms of KPMG Peat Marwick and Raymond D. Roberts, CPA, P.C.

Mr. Skilton received a Master's Degree in Management with finance, marketing, policy and the environment, and international business concentrations in 1986 from Northwestern University, Evanston, Illinois, and a Bachelor of Science degree in Accounting from Andrews University, Berrien Springs, Michigan, in 1973. He is a Certified Public Accountant, a Certified Management Accountant and a Certified Treasury Professional.

He is a member of the American Institute of Certified Public Accountants, Institute of Management Accountants, Financial Executives International, Association of Financial Professionals and the Healthcare Financial Management Association. Mr. Skilton also serves on the Board of Directors of LakeCare Health System, a continuing care retirement community.

Lynn Addiscott, Vice President for Tax Services and Senior Tax Officer

Ms. Addiscott, age 58, was appointed Vice President for Tax Services and Senior Tax Officer of Health Care in 2008. In this capacity, she is responsible for all tax-related issues, including tax compliance functions, tax reviews of contracts and all tax research. Prior to that, she served as Senior Director for Tax Research and Compliance, beginning in 1997.

Prior to joining Health Care, Ms. Addiscott served as Tax Director for Price Waterhouse's Southeast Region, where she was responsible for the delivery of tax planning, research and tax compliance services to health care clients throughout the state of Florida.

Ms. Addiscott received a Master's degree in Education in 1976 from the University of Florida and Bachelor's degrees in Accounting and Education in 1984 and 1973, respectively, from the University of Florida. She is a Certified Public Accountant.

Thomas E. Hamilton, M.D., Vice President of Medical Mission

Dr. Hamilton, age 61, was appointed Vice President of Medical Mission in November 2004. He previously served as Senior Medical Officer for Florida Hospital, where he was responsible for medical affairs, risk management, quality improvement, emergency medicine and outpatient clinics. From 1987 to 1989, Dr. Hamilton was Executive Director of the Loma Linda Faculty Group, in Loma Linda, California. Dr. Hamilton also has managed care experience, working at Georgia Blue Cross/Blue Shield from 1991 to 1992 and with Tennessee Medicaid from 2001 to 2004. He directed the Florida Hospital Family practice residency from 1980 to 1987.

Dr. Hamilton graduated from Loma Linda School of Medicine in 1973, and completed his family practice training at Florida Hospital. He received a Master in Business Administration degree in 1989 from the Crummer School of Business/Rollins College in Winter Park, Florida, and his Bachelor of Science Degree in Chemistry from Southern Adventist University located in Collegedale, Tennessee.

Dr. Hamilton chaired the Board of the Orlando Healthcare Center for the Homeless for several years and currently serves on the Board of Shepherd's Hope, an outpatient program serving the working poor.

David L. Huffman, Vice President of Finance

Mr. Huffman, age 43, was appointed Vice President of Finance for Health Care in 2008. In this role, he is responsible for the Corporate Reimbursement, Internal Audit, Accounts Receivable Securitization and Uniform Account Reconciliation departments. In addition, Mr. Huffman is responsible for the coordination of the annual external audit financial reporting as well as accounting issues relating to new transactions and new accounting pronouncements.

Prior to joining Health Care, Mr. Huffman spent more than 14 years with KPMG, where he specialized in health care accounting and auditing.

Mr. Huffman received a Bachelor's degree in Business Administration with an accounting emphasis in 1988 from Union College, Lincoln, Nebraska. He is a Certified Public Accountant.

Donald G. Jones, Vice President for Human Resources

Mr. Jones, age 57, was appointed Vice President of Human Resources for Health Care and Sunbelt in November 2001. From January 2001 to November 2001, he served as Director of Benefits and Compensation for Health Care and Sunbelt. From 1990 to 2001, Mr. Jones served in various human resource leadership positions at Florida Hospital, including as Associate Director of Human Resources. Mr. Jones has also served as a Vice President for the General Conference of Seventh-day Adventist Risk Management Services.

Mr. Jones received a Bachelor's degree in Business Administration with an emphasis in management from Walla Walla College in Walla Walla, Washington, and holds the Certified Employee Benefits Specialist designation from the Wharton School of Management at the University of Pennsylvania.

Richard Morrison, Vice President, Government Affairs

Mr. Morrison, age 60, was appointed Vice President of Government Affairs for Health Care and Sunbelt and the Regional Vice President of the Florida Division for Government and Regulatory Affairs in 2007. In that role, he is responsible for developing and coordinating public and regulatory policy at the local, state and federal level. Prior to this appointment, he served in the same role for Florida Hospital and the Florida Division.

Mr. Morrison has more than 30 years of health care experience in a wide variety of areas including strategic planning, marketing, mergers and acquisitions, managed care, compliance as well as government and regulation. He has been appointed to various state wide advisory committees by the Governor of Florida, chairs the Family Practice Teaching Hospital Council and currently chairs numerous boards in the local community ranging from early learning to emergency medicine.

Mr. Morrison graduated with a Bachelor's of Arts in Psychology from Florida State University, Phi Beta Kappa, and did his graduate work in clinical psychology at the University of Florida.

Benjamin F. Reaves, Ph.D., Vice President of Ministries

Dr. Reaves, age 76, joined Health Care and Sunbelt in April 1997 as Vice President of Ministries. Prior to this position he served as General Field Secretary for the General Conference of Seventh-day Adventists. Previously, Dr. Reaves served for 11 years as the president of Oakwood College in Huntsville, Alabama. A native of New York City, he received a Bachelor of Arts degree from Oakwood College in 1955; a Master of Arts degree in Religion from Andrews University, Berrien Springs, Michigan in 1966; a Master of Divinity degree from Andrews University in 1972; and a Doctor of Divinity degree from Chicago Theological Seminary in 1974.

Before assuming his position as President of Oakwood College, Dr. Reaves was Chairman for the Department of Religion and Theology at Oakwood College for eight years. He has also held the following positions: Associate Professor of Preaching and Urban Ministry, Seventh-day Adventist Theological Seminary; Campus Pastor for College Youth, Andrews University; and Pastor Evangelist for both the Michigan Conference and Lake Region Conference of Seventh-day Adventists. He has served as Visiting Professor, Andrews University, and the Chicago Cluster of Theological Seminaries. Dr. Reaves has served as Chairman of the Member Presidents of the United Negro College Fund, as well as Vice Chairman of the United Negro College Fund Corporate Board of Directors and its Executive Committee.

Dr. Reaves, a recipient of the Distinguished Alumnus Award at Oakwood College, is widely published and has received numerous awards and honors. He is a member of the Academy of Homiletics and was selected by the U.S. Army Board of Chaplains to conduct workshops in Homiletics and Liturgies. For many years he has been a featured speaker for the Chicago Sunday Evening Club television broadcast.

Womack H. Rucker Jr., Vice President

Mr. Rucker, age 60, was appointed Vice President and Assistant to the President of Health Care and Sunbelt in 1990. From 1986 to 1989, he served as Vice President for Health Services at Meharry Medical College and as Chief Executive Officer of Meharry Hubbard Hospital, both in Nashville, Tennessee. From 1981 to 1986, Mr. Rucker served at Health Care and Sunbelt as Vice President for Planning and as President of Riverside Adventist Hospital, Nashville, Tennessee. From 1976 to 1981, he served as Vice President of Washington Adventist Hospital, Takoma Park, Maryland.

Mr. Rucker's administrative career began at Kettering Medical Center, Kettering, Ohio, where he served as Assistant Director of Personnel and Administrative Assistant to the President from 1971 to 1976. He attended Xavier University from 1974 to 1976, where he earned a Master of Hospital and Health Administration degree. He completed an Administrative Residency at Johns Hopkins Hospital in Baltimore, Maryland.

He is a member of the American College of Healthcare Executives, American Hospital Association, and the National Association of Healthcare Executives. He was appointed to the Governor's Task Force on Hospital Regulations in the State of Maryland.

Michael H. Schultz, President/Chief Executive Officer of Florida Region, Executive Vice President of the Florida Division

Mr. Schultz, age 55, was appointed President and Chief Executive Officer of the Florida Region of Sunbelt and Executive Vice President of the Florida Division in 2006. Prior to his appointment, Mr.

Schultz served from 2000 to 2006 as President and Chief Executive Officer of Sunbelt's Appalachia Region, which included Park Ridge Hospital in Fletcher, North Carolina and three hospitals in eastern Kentucky and Tennessee.

Before joining Health Care, Mr. Schultz had an extensive background in finance and hospital administration at health care facilities in California, Illinois and Tennessee.

Mr. Schultz received a Master's degree in Business Administration in Management from Loyola University of Chicago and a Bachelor of Science degree in Business Administration in Business Administration from Southern Adventist University.

David P. Singleton, Vice President and Chief Investment Officer

Mr. Singleton, age 52, was appointed Vice President and Chief Investment Officer of Health Care in 2008. Prior to joining Health Care, he had 23 years of financial markets experience and worked as a Managing Director in SunTrust Bank's Corporate and Investment Banking Division in charge of SunTrust's not-for-profit health care business.

Beginning in 2000, Mr. Singleton worked exclusively in the health care specialty practice. Previous management assignments at SunTrust included responsibility for Middle Market & Corporate Banking for SunTrust's Eastern Virginia Region in Norfolk, Virginia, serving as the Senior Regional Credit Administrator for Eastern Virginia, and managing the Region's Special Assets Division.

Mr. Singleton received a Master's degree in Business Administration from The College of William and Mary in 1995 and completed graduate programs at The Banking School of the South at Louisiana State University. He received a Bachelor of Science degree in Business Administration in 1985 from Louisiana State University. He holds active NASD licenses, Series 7 and Series 63 licenses for Florida, Virginia, Maryland and Washington, D.C.

Tamara L. Trimble, Vice President of Legal Services

Ms. Trimble, age 57, was appointed Vice President of Health Care and Sunbelt in 1982.

She previously served as staff counsel with First Federal of Broward, Fort Lauderdale, Florida, in 1981. From April 1978 until November 1980 she served as a member of the comptroller's office of the State of Tennessee appointed to undertake audits pursuant to the Tennessee Governmental Entity Review Law and as a legislative aide to the Senate Finance Ways and Means Committee of the Tennessee Legislature.

Ms. Trimble received a Juris Doctor in 1977 from Stetson University and a Bachelor of Arts degree in history from Southern Adventist University, Collegedale, Tennessee in 1973. She is licensed to practice law in the states of Florida and Tennessee.

Celeste West, Vice President of Supply Chain Management

Ms. West, age 56, was appointed Vice President of Supply Chain for Health Care in 2008. She provides leadership and strategic direction for the supply chain functions for Health Care and its affiliates.

Prior to this appointment, Ms. West served as an inside consultant for materials management traveling to Health Care's hospitals assisting with supply cost challenges, evaluating and establishing improvement plans for operational efficiency, covering vacant materials director positions, providing education, and implementing materials management information systems.

Ms. West received her Bachelor of Science degree in 1997 from Kennesaw State University. She is a certified material and resource professional through the American Hospital Association.

Amy L. Zbaraschuk, Vice President/Controller, Finance

Ms. Zbaraschuk, age 35, was appointed Vice President and Corporate Controller for Health Care and Sunbelt in 2007. Previously, she served as Director of Accounting and Director of Finance. Ms. Zbaraschuk is a graduate of the Florida Hospital Financial Management Program where she served as a resident before joining the Health Care corporate office.

Ms. Zbaraschuk received her Master's degree in Business Administration in 2000 from the University of Central Florida and her Bachelor of Arts degree in Accounting in 1997 from Andrews University, Berrien Springs, Michigan. She is a member of the Hospital Financial Management Association and serves the community through volunteering with various organizations.

RELATIONSHIP OF HEALTH CARE AND THE OBLIGATED GROUP

Except as noted herein under "HISTORY AND BACKGROUND – Corporate Structure" regarding PorterCare and Zephyrhills, Health Care manages all of the Obligated Group's hospitals and also owns, leases and/or manages a wide variety of other health care facilities and related businesses. Health Care manages and controls the Obligated Group's hospitals through a variety of mechanisms, including bylaws, governing board appointments or management agreements.

Sunbelt is directly responsible for the assets and liabilities of only the hospitals it owns. Health Care is not a guarantor or obligor for payments on the Obligated Group's liabilities related to the Series 2009C Bonds.

The corporate bylaws of Health Care and each Member of the Obligated Group of which Health Care is sole member (other than PorterCare) grant Health Care certain controls over the operations of each of the hospitals and other health care facilities owned or operated by such Members of the Obligated Group. The corporate bylaws of Sunbelt, MHS and Mid-America and each Member of the Obligated Group of which Sunbelt, MHS or Mid-America is the sole member (other than Zephyrhills) grant Sunbelt, MHS or Mid-America, respectively, certain controls over the operations of each of the hospitals and other health care facilities owned or operated by such Members of the Obligated Group. The bylaws of each entity for which Sunbelt serves as sole corporate member provide that Sunbelt may delegate all of its controls and rights over such entities to Health Care. Pursuant to the bylaws of each entity for which MHS serves as sole corporate member, certain responsibilities and authority that MHS has with respect to such entities have been delegated to Sunbelt.

These controls generally include the ability of Health Care, Sunbelt, MHS or Mid-America to exercise the following reserved rights over the Members of the Obligated Group for which they serve as sole corporate member:

- Directing the placement of funds and capital and the making of gifts, donations, loans and transfers of funds or other assets;
- Election and removal of Directors;
- Amending the bylaws;
- Approval or disapproval of hospital management personnel;
- Approval or disapproval of operating bylaws;
- Approval or disapproval of opening or closing facilities or major changes in operation;
- Approval or disapproval of major building programs or transactions in assets above certain minimums;

- Setting limits and terms on borrowing;
- Establishment of general policies;
- Approval or disapproval of annual operating and capital budgets; and
- Approval or disapproval of certain salary rates.

Health Care provides a number of services to the Obligated Group's hospitals on a centralized basis. This coordination gives the hospitals access to expertise and resources that might not be available to them on an individual hospital basis. Certain of these services include:

- Business Development and Strategic Planning;
- Cash Management;
- Corporate Compliance;
- Data Processing;
- Human Resources and Employee Benefits Management;
- Internal Auditing;
- Legal Services;
- Managed Care and Commercial Insurance Contracting;
- Medical Quality Control and Case Management;
- Patient Financial Services;
- Risk Management;
- Spiritual Outreach and Mission Emphasis;
- Tax Research and Compliance;
- Third-party Revenue and Reimbursement Management; and
- Treasury Management.

See Note 2 to the audited combined financial statements of the Obligated Group included herein as *Appendix B* for more information on the cash management program.

RETIREMENT PLANS

The Members of the Obligated Group (other than PorterCare) participate with other Seventh-day Adventist health care entities in a defined contribution retirement plan (the "Plan") that covers substantially all full-time employees who are at least 18 years of age. PorterCare participates in a defined contribution retirement plan through Centura. The Plan provides, among other things, that the employer will contribute 2.6% of wages, plus additional amounts for very highly paid employees. Additionally, the Plan provides that the employer will match 50% of the employee's contributions; provided, however, that such match will only apply to contributions up to an additional 4% of the contributing employee's wages, resulting in a maximum available match of 2% each year. See Note 9 to the audited combined financial statements of the Obligated Group, included herein as *Appendix B*.

For additional information on the prior plan in which certain Members of the Obligated Group participated, see Note 9 to the audited combined financial statements of the Obligated Group included herein as *Appendix B*.

CORPORATE TRANSACTIONS WITH RELATED PARTIES

The Members of the Obligated Group from time to time engage in financial transactions in cooperation with or in support of Health Care and each other. Health Care has the power to cause the Members of the Obligated Group to loan funds to, to contribute assets to, and to guaranty the obligations of Health Care, except as the same may be prohibited by the debt agreements of the Members of the Obligated Group. See Note 12 to the audited combined financial statements of the Obligated Group, included herein as *Appendix B*.

FINANCIAL AND STATISTICAL INFORMATION PRESENTATION

Accounting principles generally accepted in the United States ("GAAP") require that the combined financial statements of the Obligated Group include financial information on each entity controlled by any Member of the Obligated Group. Therefore, the financial and statistical information in this *Appendix A* reflects combined financial information on entities that are not Members of the Obligated Group. The entities included in this financial and statistical information that are not Members of the Obligated Group have no obligation to make any payments on the Series 2009C Bonds, the Series 2009C Notes or any other Notes outstanding. Such entities increased the combined excess of revenues and gains over expenses of the Obligated Group by approximately $2.7 million for the year ended December 31, 2008. Such entities comprised 5.5% of combined total assets and 7.3% of combined total net assets of the Obligated Group as of December 31, 2008. On July 1, 2008, Health Care sold a 32% membership interest in Metroplex. In connection with this transaction, Metroplex was removed from the Obligated Group, effective September 24, 2008. This change in the Obligated Group has been retrospectively applied to all financial and statistical data provided herein for the Obligated Group for all prior periods presented.

THE OBLIGATED GROUP'S HOSPITALS

The Members of the Obligated Group own or lease 34 acute care hospitals in ten states — Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, North Carolina, Tennessee, Texas and Wisconsin. The following tables summarize the locations and bed sizes of each of the hospital campuses owned or leased by the Members of the Obligated Group and relative total operating revenues and excess of revenues and gains over expenses of each hospital at and for the year ended December 31, 2008.

Sunbelt Facilities Hospital	Campuses	Licensed Beds Acute Care (including neonatal) as of 12/31/08	Licensed Beds Psychiatric and Skilled Nursing as of 12/31/08	Staffed Beds as of 12/31/08	% of Obligated Group Total Operating Revenues for Year Ended 12/31/08	% of Obligated Group Excess (Deficit) of Revenues and Gains Over Expenses for Year Ended 12/31/08
Central Texas Medical Center San Marcos, TX		113	0	85	1.48%	(0.72)%
Florida Hospital Zephyrhills, Zephyrhills, FL [a]		139	15	154	2.50	3.98
Florida Hospital ("FH")	FH Orlando	1,011	85	887	39.63	67.97
	FH Altamonte	341	0	327		
	FH Apopka	50	0	50		
	FH East Orlando	225	0	225		
	FH Kissimmee	83	0	83		
	Celebration Health/ Celebration	112	0	112		
	Winter Park Memorial Hospital	277	20	287		
FH Heartland Division	FH Heartland [b]	159	0	159	2.99	0.75
	FH Lake Placid	33	17	50		
	FH Wauchula	13	12	25		
Huguley Memorial Medical Center Fort Worth, TX		191	22	212	2.48	(1.64)
Adventist LaGrange Memorial Hospital LaGrange, IL		223	0	176	2.82	(4.94)
Takoma Adventist Hospital Greeneville, TN[c]		0	0	0	0.00	0.15
Other						
Emory-Adventist Hospital Smyrna, GA [d]		88	0	55	1.08	0.36
Total Sunbelt		**3,058**	**171**	**2,887**	**52.98%**	**65.91%**

Facilities of Other Obligated Group Members Hospital	Campuses	Licensed Beds Acute Care (including neonatal) as of 12/31/08	Licensed Beds Psychiatric and Skilled Nursing as of 12/31/08	Staffed Beds as of 12/31/08	% of Obligated Group Total Operating Revenues for Year Ended 12/31/08	% of Obligated Group Excess (Deficit) of Revenues and Gains Over Expenses for Year Ended 12/31/08
Adventist Bolingbrook Hospital Bolingbrook, IL		138	0	138	1.34%	(10.40)%
Chippewa Valley Hospital and Oakview Care Center Durand, WI		25	58	83	0.24	(0.19)
FH Deland Deland, FL		146	10	156	2.13	2.36
FH Fish Memorial Orange City, FL		139	0	139	2.51	1.37
FH Flagler Palm Coast, FL		99	0	83	2.26	9.48
FH Ormond Ormond Beach, FL	Ormond Memorial	205	0	205	3.86	1.95
	Oceanside[(e)]	106	13	40		
FH Waterman Tavares, FL		204	0	204	3.72	6.46
Adventist GlenOaks Hospital Glendale Heights, IL		128	58	138	1.28	(0.81)
Gordon Hospital Calhoun, GA		69	0	69	1.33	2.92
Adventist Hinsdale Hospital Hinsdale, IL		332	22	338	5.38	1.68
Jellico Community Hospital Jellico, TN [(f)]		54	0	40	0.43	(2.72)
Memorial Hospital Manchester, KY		63	0	63	0.92	(0.08)
Park Ridge Hospital Fletcher, NC [(g)]		62	41	98	2.27	2.56
PorterCare Adventist Health System Denver, CO	Avista	113	0	85	12.17	20.51
	Littleton	231	0	228		
	Parker	94	0	94		
	Porter	307	35	217		
Shawnee Mission Medical Center Shawnee Mission, KS		396	31	363	6.30	9.54
Other [(h)]		--	--	--	0.88	(10.54)
Total Other Obligated Group Members		**2,911**	**268**	**2,781**	**47.02**	**34.09**
Total Obligated Group		**5,969**	**439**	**5,668**	**100.00%**	**100.00%**

Notes to the Obligated Group's Hospitals Chart:

(a) The real property and original improvements used in the operation of Florida Hospital Zephyrhills are owned by Sunbelt and leased to Zephyrhills for use in the operation of a general acute health care facility. East Pasco Medical Center changed its corporate name to Florida Hospital Zephyrhills, Inc. and its d/b/a to Florida Hospital Zephyrhills effective January 1, 2006.

(b) FH Heartland is located in Sebring, Florida.

(c) Sunbelt has transferred the majority of the assets (excluding working capital) of Takoma Adventist Hospital from Sunbelt to a new non-profit corporation in which it is a member and has a 40% ownership and financial interest. Health Care manages Takoma Adventist Hospital. See "RECENT EVENTS AND FUTURE PLANS."

(d) Sunbelt consolidates the accounts of Emory-Adventist Hospital based on Sunbelt's 65% ownership interest, and reflects a 35% minority interest.

(e) The hospital ceased admitting acute care patients in August 2002, and currently utilizes its rehabilitation beds only.

(f) Leased under a long-term agreement expiring in 2033.

(g) Fletcher owns Park Ridge Hospital.

(h) The majority of this amount is attributable to the Sunbelt Corporate Office and also includes intercompany eliminations and certain non-hospital entities.

Employees

The Obligated Group employed approximately 29,406 full-time equivalent employees as of December 31, 2008. None of the employees at any of the Obligated Group's hospitals is represented by a union. The management of each hospital believes that employee relationships at its hospitals are good.

UTILIZATION STATISTICS

The following table shows, for the years ended December 31, 2006, 2007 and 2008, the aggregate operating statistics of the Obligated Group's hospitals. Utilization statistics for the Obligated Group for the three-month periods ended March 31, 2009 and March 31, 2008 are available from the Nationally Recognized Municipal Securities Information Repositories ("NRMSIRs"). The U.S. Securities and Exchange Commission's website (www.sec.gov/info/municipal/nrmsir.htm) has a current list of the NRMSIRs. Effective July 1, 2009, such statistics will be filed by or on behalf of the Obligated Group with the Municipal Securities Rulemaking Board ("MSRB"), in an electronic format as prescribed by the MSRB. The MSRB has initially designated its Electronic Municipal Market Access system ("EMMA"), found at http://emma.msrb.org, as the sole repository for such disclosure filings. Effective July 1, 2009, the MSRB through EMMA will be the sole NRMSIR. Such statistics filed currently with the NRMSIRs are incorporated herein by reference.

Year Ended December 31*	Average Beds in Service	Average Daily Census	Percent Occupancy	Admissions	Patient Days	Average Length of Stay (Days)	Adjusted** Patient Days
2006	5,266	3,546	67.34	292,552	1,294,312	4.42	2,162,251
2007	5,377	3,487	64.85	286,240	1,272,683	4.45	2,144,680
2008	5,663	3,554	62.76	291,561	1,297,117	4.45	2,226,757

* Excludes information on (i) Metroplex Adventist Hospital, Inc., a Texas nonprofit corporation, that withdrew from the Obligated Group effective September 24, 2008 and (ii) the two Tennessee Christian Medical Center hospital campuses located in suburban Nashville, Tennessee which the Obligated Group sold in March 2006. The utilization statistics in the chart include data for Takoma Adventist Hospital.

** Adjusted Patient Days are calculated by dividing total patient revenues by inpatient revenues per patient day. This statistic then gives a measurement of the equivalent patient days as if all revenues were generated from inpatient sources.

SOURCES OF PATIENT SERVICE REVENUES

For the years ended December 31, 2006, 2007 and 2008, the sources of gross patient service revenues of the Obligated Group's hospitals were as follows:

	Obligated Group Years Ended December 31*		
Source	2006	2007	2008
Medicare	40.14%	40.40%	39.11%
Medicaid	8.27	8.51	8.95
HMO/PPO	32.50	31.52	32.98
Commercial Insurance	11.65	12.00	11.57
Self pay	7.44	7.57	7.39
Total	100.00%	100.00%	100.00%

* Excludes information on (i) Metroplex Adventist Hospital, Inc., a Texas nonprofit corporation, that withdrew from the Obligated Group effective September 24, 2008, (ii) the two Tennessee Christian Medical Center hospital campuses located in suburban Nashville, Tennessee which the Obligated Group sold in March 2006 and (iii) Takoma Adventist Hospital for the period beginning in May 2007 when the transfer of the majority of its assets from Sunbelt to a new non-profit corporation occurred. See "RECENT EVENTS AND FUTURE PLANS."

Medicare currently reimburses the Obligated Group's hospitals for most inpatient services on the basis of projected costs of treating "Diagnosis Related Groups" of services. State Medicaid programs reimburse each of the Obligated Group's hospitals in accordance with the Medicaid program in place in the state of the patient being treated. Commercial insurance contracts are numerous and vary broadly. Some commercial insurance carriers and individuals are generally billed hospital charges. No assurance can be given that revenues from third-party payors will continue in the relative percentages set forth in the above table. See "BONDHOLDERS' RISKS – Payment for Health Care Services" in the front part of this Official Statement.

DESCRIPTION OF FLORIDA HOSPITAL

The Obligated Group owns 33 hospitals and operates one hospital under a long-term lease. These facilities provide acute, rehabilitation, psychiatric and skilled nursing care to patients and communities in ten states. This Official Statement provides information about facilities owned or leased by Members of the Obligated Group, including locations, licensed and staffed beds, percent of 2008 total operating revenue and percent of 2008 net excess of revenues and gains over expenses under the caption "THE OBLIGATED GROUP'S HOSPITALS" herein.

Sunbelt contributed approximately 66% of the excess of revenues and gains over expenses of the Obligated Group for the year ended December 31, 2008 (see "THE OBLIGATED GROUP'S HOSPITALS" herein for the percentage of excess of revenues and gains over expenses contributed by each of the Sunbelt facilities). Florida Hospital alone contributed approximately 68% of the Obligated Group's excess of revenues and gains over expenses for the year ended December 31, 2008. Included below is information regarding Florida Hospital, including information regarding its medical staff.

Florida Hospital, founded in 1908, is the largest hospital owned by Sunbelt and is a major tertiary referral hospital for Central Florida. Florida Hospital provides care to more than one million patients each year, and treats more Medicare inpatients in the United States than any other hospital.[3] Based on admissions, Florida Hospital is the busiest hospital in Florida and the United States.[4] From 2008 to 2013, the population in Central Florida is expected to increase by 12.3%.[5]

Florida Hospital consists of seven campuses in the Orlando area. A 1,096-licensed bed acute care medical center ("Florida Hospital Orlando") located in central Orlando, Florida; a 341-licensed bed acute care community hospital ("Florida Hospital Altamonte") located in Altamonte Springs, Florida; a 225-licensed bed acute care community hospital (Florida Hospital East Orlando") located in east Orlando, Florida; a 112-licensed-bed acute care community hospital ("Celebration Health"), located in Celebration, Florida; a 50-licensed bed acute care community hospital ("Florida Hospital Apopka") located in Apopka, Florida; a 297-licensed bed acute care medical center ("Winter Park") located in Winter Park, Florida; and a 83-licensed bed acute care community hospital ("Florida Hospital Kissimmee") located in Kissimmee, Florida (each campus collectively, "Florida Hospital"). In total, Florida Hospital has 2,204 licensed beds. As of December 31, 2008, Florida Hospital had a medical staff of 2,123 physicians and employed 16,166 full-time, part-time and on-call employees. For a description regarding expansion and renovation projects for Florida Hospital, see "RECENT EVENTS AND FUTURE PLANS – Florida Hospital Projects" herein.

In addition to medical and surgical services, Florida Hospital/Orlando offers a large number of specialized services, including open heart surgery, fracture care, transplants (kidney/pancreas, liver and bone marrow), radiation therapy, rehabilitation, intensive and coronary care units, cardiac catheterizations, hyperbaric medicine and wound care, neurosurgery, gamma knife, diabetes services, computerized axial tomography ("CAT"), advanced magnetic resonance imaging ("MRI"), positron emission tomography, interventional neuroradiology, level III neonatal intensive care ("NICU"), sleep disorders center, and lithotripsy. Florida Flight One is a fully equipped "air ambulance" that provides critical care for patients living within a 150-mile radius of Florida Hospital.

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3 *SOURCE*: MedPar, 2007.

4 *SOURCE*: American Hospital Association Annual Survey, 2007.

5 *SOURCE*: Solucient, Inc. 2008.

Florida Hospital has one of the largest heart centers in the country.[6] It is first in the nation in Medicare cardiology inpatients and first in Florida in cardiology discharges.[7] During 2008, 1,442 open-heart surgeries were completed, and 6,833 cardiac catheterizations were performed. Management reports that Florida Hospital routinely ranks among the top five centers in the United States based on the number of coronary bypass procedures performed annually.

The Florida Hospital Neuroscience Institute serves more Medicare neurology inpatients than any other facility in the nation.[8] In addition, the Institute treats more stroke and transient ischemic attack patients and has more neurology patients than any other facility in the state of Florida.[9] It is one of the most comprehensive institutes of its kind in the Southeast, supported by highly trained physicians and health care professionals, technologically advanced diagnostic and treatment facilities, comprehensive rehabilitation programs and the applications of recent clinical research.

The Florida Hospital Orthopedic Institute has been recognized as a national leader in orthopedics by U.S. News and World Report, AARP (formerly known as the American Association of Retired Persons) and Orthopedic Network News. Florida Hospital is ranked second in the country for number of Medicare orthopedic hip, knee and shoulder surgeries and performs more orthopedic surgeries than any other hospital in the State of Florida.[10] Florida Hospital and its community physicians performed the first total knee replacement surgery and arthroscopic surgery in the State of Florida. Programs include total joint replacement, fracture care, sports medicine, pediatric, hand, foot, ankle and spine orthopedics.

Florida Children's Hospital had 8,784 inpatient admissions, 29,914 outpatient visits and 65,964 emergency department visits by children during 2008; 3,139 of these children were treated in its Level II and Level III NICU, as well as its Level I pediatric intensive care unit, which is the highest level of care for children.

Florida Hospital's rehabilitation and sports medicine department offers a full continuum of care from inpatient to outpatient, including neurological rehabilitation, adolescent/pediatric rehabilitation, orthopedic and sports medicine rehabilitation, audiology and wellness.

The Florida Hospital Transplant Center is one of the nation's busiest kidney transplant centers, with 166 kidney transplants performed in 2008.

Florida Hospital Cancer Institute ("FHCI") serves more cancer patients than any other program in Florida.[11] FHCI offers a multidisciplinary team of cancer specialists, advanced technology and a complete array of patient and family support services. The comprehensive cancer program offers a continuum of services ranging from state-of-the-art detection, prevention, treatment and research – encompassed by educational, psychological and spiritual support – at five central Florida locations. FHCI participates in more than 80 clinical trials studying new therapies for cancer and blood disorders and houses its own clinical research laboratory.

Florida Hospital recognizes the importance of community interactions. Its community services include CentraHealth Network (a physician support program), Premier Health (a senior affinity health education program), Health Care at Home and the Circle of Friends Home and Ronald McDonald House for

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6 *SOURCE*: MedPar, 2007

7 *SOURCE*: State of Florida Agency for Health Care Administration, 2007.

8 *SOURCE*: MedPar, 2007.

9 *SOURCE*: State of Florida Agency for Health Care Administration, 2007.

10 *SOURCE*: State of Florida Agency for Health Care Administration, 2007.

11 *SOURCE*: State of Florida Agency for Health Care Administration, 2007.

families of patients. Other services include smoking cessation, coronary risk reduction, stress control, diabetes management, dietary and weight control, parent-childbirth education, lifestyle management, fitness programs, four cancer resource libraries, a Community After Hours Clinic; a Congestive Heart Failure Clinic for low-income, uninsured patients; support of the Primary Care Access Network, which provides sliding scale health services to uninsured Orange County residents, and various support groups. Florida Hospital also works closely with the Senior Resource Alliance, Parish Nursing, Orange County Government, Shepherd's Hope, Healthcare Center for the Homeless, and the local community colleges. Through the Community Health Impact Council and other community benefit efforts, Florida Hospital is identifying, addressing and funding health initiatives. Florida Hospital also has worked with the University of Central Florida in securing a medical school in Orlando which will open in 2009. In addition, Florida Hospital is working with the Economic Development Commission of Mid Florida in focusing on bringing health and biotechnology businesses to Central Florida and has partnered with the Burnham Institute to do cutting edge research in diabetes and cardiology.

Florida Hospital has 97 total residents in 10 graduate medical education programs: 72 residents in the Family Medicine Residencies, seven residents in the Neuro Musculoskeletal Medicine Residency, six residents in the Podiatry Medical and Surgical Residency, three residents in the Geriatric Medicine Residency, four residents in the General Surgery Residency, two residents in the Minimally Invasive Surgical Fellowship, two residents in the Gynecology Oncology Fellowship, two residents in the Advanced Robotics Urology Residency and six residents in the Emergency Medicine Residency. In 2009, three graduate medical education programs will be added: two residents in Gynecology/Minimally Invasive Surgery Residency, 24 residents in the Internal Medicine Residency and two residents in the Colon and Rectal Residency.

Sunbelt is the sole corporate member of Florida Hospital College of Health Sciences, Inc., a Florida not-for-profit corporation, which owns a four-year college of health science, Florida Hospital College of Health Sciences (the "College"). The College offers a Master of Science degree in Nurse Anesthesia; Baccalaureate of Sciences degrees in Nursing, Health Sciences, and Radiological Sciences and Associate of Science degrees in Diagnostic Medical Sonography, Nuclear Medicine Technology, Nursing, Occupational Therapy Assistant, Pre-Professional Studies, and Radiography. Enrollment in the College is 2,434 students in the 2008-2009 school year. The College provides a portion of the nursing and allied health staff for Florida Hospital.

The Center for Behavioral Health department has 75 licensed psychiatric beds. Fifty-six of these beds are in a separate building, and 19 are located inside the main hospital on the Orlando campus. These beds are used for medically compromised psychiatric patients needing acute care.

Florida Hospital Altamonte opened in February 1973 with 110 beds. With the addition of a new 6-story patient tower and a new 37 bed Emergency Department in late 2007, it now houses 341 licensed beds. A full range of medical and surgical services and facilities, including intensive and coronary care, nuclear medicine, cardiac catheterization, radiation/oncology, emergency medicine, surgical services, digestive health services, diagnostic services, obstetrics and pain medicine are provided at this facility.

Florida Hospital Apopka, formerly known as North Orange Memorial Hospital, was operated as a tax district hospital from its founding in 1967 to its sale to the predecessor of Sunbelt in 1975. It is a 50-licensed-bed hospital, which includes intensive care services, emergency medicine, endoscopy, outpatient services, diagnostic services, respiratory services and rehabilitation services.

Florida Hospital East Orlando, in the eastern portion of Orange County (formerly Orlando General Hospital), was purchased by Sunbelt in December 1990. With the addition of a new 6-story patient tower in February, 2007, the hospital has 225 licensed beds and provides a full range of emergency, medical, diagnostic and surgical services, including programs in radiation oncology, imaging, cardiology, digestive health, women's services, rehabilitation and pediatrics.

Florida Hospital Kissimmee, located in downtown Kissimmee in central Osceola County, was purchased by Sunbelt in August 1993. The hospital has 83 licensed acute care beds and 35 observation beds and provides a full range of emergency, medical, diagnostic, oncology and surgical services, including critical care.

Celebration Health first opened in November 1997, with inpatient services opening in June 1998, in the town of Celebration in northwestern Osceola County. This 112-bed, 470,264-square-foot facility houses state-of-the-art emergency, medical, surgical, obstetrics, robotics and diagnostic imaging services as well as physician offices and a fitness center. Celebration Health's corporate partners include such organizations as AGFA, Cardinal Health, Ethicon EndoSurgery, General Electric Health Care, Philips Healthcare, Roche Diagnostics, Karl Storz Endoscopy, Stryker Endoscopy, Walt Disney, and other industry leaders. Celebration Health serves the "Four Corners" area of Osceola, Orange, Lake and Polk Counties, which is within a 30-mile radius of approximately 1.7 million people.[12] This area is shown by the University of Florida Bureau of Business and Economic Research as being the fastest growing area of the Central Florida market. In addition, many of the patients in the Emergency Department are tourist to the area, and come from all over the world.

The Winter Park Memorial Hospital campus of Florida Hospital, located in Winter Park, was purchased by Sunbelt in July, 2000. The hospital has 297 licensed beds and provides a full range of emergency, medical, diagnostic and surgical services, including intensive and critical care nursing, and Level II NICU. Winter Park Memorial is home to the Orthopedic Institute, a 22,000 square feet facility that serves as the nucleus of Florida Hospital's orthopedic program. Other specialty programs include the Dr. P. Phillips Baby Place, the Women's Place and FHCI.

In 2008, the Florida Hospital Foundation, which supports Florida Hospital and its health mission, received pledges and cash gifts totaling $11.5 million, planned gifts totaling $4.1 million and investment income totaling $4.1 million.[13]

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12 *SOURCE*: Solucient, Inc. 2008.

13 The numbers listed for the Florida Hospital Foundation are the gross value of pledges and gifts without any discounting or netting that may be required by GAAP to reflect the present value of amounts to be received over time.

CONDENSED COMBINED FINANCIAL STATEMENTS OF THE OBLIGATED GROUP

The following condensed combined statements of revenues and expenses for the years ended December 31, 2008 and 2007 and condensed combined balance sheets as of December 31, 2008 and 2007 were prepared by management of Sunbelt. The financial information should be read in conjunction with the audited combined financial statements, related notes and other financial information included in this Official Statement and the Appendices.

Condensed Combined Statements of Revenues and Expenses (*dollars in thousands*)

	Year Ended December 31, 2008	2007
Revenues		
Patient service	$4,983,535	$4,599,225
Other	215,223	193,490
	5,198,758	4,792,715
Expenses		
Employee compensation	2,382,911	2,201,597
Supplies and other	1,926,351	1,751,545
Provision for bad debts	255,622	244,936
Interest	146,075	118,881
Depreciation and amortization	293,342	275,175
	5,004,301	4,592,134
Income from Operations	194,457	200,581
Nonoperating Gains, Net	3,340	124,507
Excess of Revenues and Gains over Expenses*	$ 197,797	$ 325,088

* These condensed combined statements of revenues and expenses exclude other direct effects on net assets, including, but not limited to, changes in fair value of cash flow hedges, changes in unrealized gains and losses on certain investments and transfers to affiliated entities. See the combined statements of operations and changes in net assets in the audited combined financial statements attached hereto as *Appendix B*.

Condensed Combined Balance Sheets
(dollars in thousands)

	December 31, 2008	2007
Assets		
Current assets:		
Cash and cash management deposits	$2,598,014	$2,394,112
Investments	6,515	36,785
Current portion of assets whose use is limited	13,566	45,429
Patient accounts receivable, net	251,530	290,724
Other current assets	383,366	331,196
Total current assets	3,252,991	3,098,246
Property and Equipment, net	3,360,682	3,079,571
Assets Whose Use is Limited	82,545	180,850
Other Noncurrent Assets	351,606	387,566
Total Assets	$7,047,824	$6,746,233
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 399,375	$ 374,069
Estimated settlements to third parties	95,014	90,847
Other current liabilities	54,528	95,420
Short-term financings	245,203	246,862
Current maturities of long-term debt	52,501	49,632
Total current liabilities	846,621	856,830
Long-term Debt, net of current maturities	2,904,422	2,745,608
Other Noncurrent Liabilities	221,389	138,817
Total Liabilities	3,972,432	3,741,255
Net Assets		
Unrestricted	2,914,883	2,843,471
Temporarily restricted	160,509	161,507
Total Net Assets	3,075,392	3,004,978
Total Liabilities and Net Assets	$7,047,824	$6.746,233

UNAUDITED CONDENSED COMBINED INTERIM FINANCIAL STATEMENTS OF THE OBLIGATED GROUP

The Obligated Group's unaudited condensed combined interim statements of revenues and expenses for the three months ended March 31, 2009 and 2008, and condensed combined interim balance sheet as of March 31, 2009, are available from the NRMSIRs. The unaudited combined financial statements were prepared by management of Sunbelt in accordance with GAAP. Operating results for the three months ended March 31, 2009 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2009. The financial information for the Obligated Group that is available from the NRMSIRs is incorporated herein by reference and should be read in conjunction with the audited combined financial statements, related notes, and other financial information included in this Official Statement, including the Appendices.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Management

The Health Care Board of Directors and senior management have established policies and procedures that govern the financial affairs of the Obligated Group and its operating units. Three committees--the Board Finance, the Board Audit and the Investment Advisory Committees--oversee the financial affairs of the Obligated Group and make recommendations to the Health Care Board. The Board Finance Committee oversees all key financial issues of the Obligated Group, including but not limited to reviewing and approving combined operating, cash flow and capital budgets; monitoring actual to budget financial performance; and approving all capital expenditures over $1.0 million and incurrence of debt.

The Board Audit Committee oversees all internal and external audit activities, meeting four times a year. It primarily reviews the work of both the internal audit department and independent auditors. Health Care has an internal audit department comprised of nine individuals. The department reports to Health Care's Vice President of Finance, whose prior experience includes 14 years in public accounting, with a health care institution audit emphasis.

The Investment Advisory Committee makes recommendations to the Board Finance Committee and the Health Care Board of Directors on all key issues surrounding Health Care's investment portfolio, including allocation of funds among various asset classes and strategies, choice of external money managers and actual performance versus goals.

At the end of 2008, Health Care's cash position was as follows:

	(in millions)
Cash and Investments	$2,866.0
Bond Trustee-Held Funds	64.0
Medical Malpractice Trust Funds	209.8
Employee Benefits and Other Trustee Funds	87.8
TOTAL	$3,227.6

Health Care's cash and investments ("Unrestricted Cash") represented 38.6% of its total assets at the end of 2008. Health Care's investment strategy directly ties portfolio construction to the current needs of both the statement of operations and the improvement of the balance sheet. Each year the portfolio is balanced between a capital markets portion (equities and hedge funds) and a short duration bond portfolio. The allocation between the two areas depends upon the ability of Health Care to absorb the higher market risk inherent in the capital markets portion. The portfolio is viewed as another operating unit from which a certain contribution to income is needed each year, the attainment of which is based on a 95% statistical confidence level. The portfolio is not viewed as an endowment. In 2008, over 65% of the portfolio was allocated to the bond portfolio.

Health Care has established a balance sheet improvement model that includes the combined financial operations and position of the Obligated Group. It is used as a guide in decision-making and facilitates an understanding of the effect of major decisions on the earnings and financial position of Health Care and the Obligated Group. Health Care has as three of its key balance sheet improvement goals the continuing improvement of its number of days' cash on hand, ongoing reductions in its ratio of long-term debt to total capitalization and increases in the ratio of Unrestricted Cash to debt.

Annual budgets are prepared by the management of each operating unit and include statements of revenues and expenses, statements of cash flows, proposed capital expenditures and targeted cash balances. Senior management of Health Care and local operating unit finance committees and boards of directors review and approve the budgets and supporting financial and operating information in detail. Operating unit finance committees and boards of directors review operating and financial performance on a regular basis against budget and planning goals. Senior management of Health Care reviews actual to budgeted financial and operating performance three times per year with the senior management at each operating unit.
Health Care allocates up to 75% of its earnings before interest, depreciation and amortization expenses ("EBIDA") to capital expenditures. That 75% is allocated in approximately the following manner.

Hospitals	47%
Divisions	14
Information Systems	6
Strategic	33
TOTAL	100%

Hospitals that do not spend all of their capital expenditure allocation in a given year can accumulate it for projects in future years.

Analysis of the Obligated Group's financial performance and position for the Year Ended December 31, 2008 compared to the Year Ended December 31, 2007

In May of 2007 the Obligated Group sold a 60% interest in Takoma Adventist Hospital in Greeneville, Tennessee. Set forth below is certain key data from the statements of operations and changes in net assets for the Obligated Group for the years ended December 31, 2008 and 2007, excluding the operations of Takoma Adventist Hospital from 2007.

(dollars in thousands)	Year Ended December 31, 2008	2007	Change
Revenues			
Patient service	$4,983,535	$4,586,278	$397,257
Other	215,223	193,198	22,025
	5,198,758	4,779,476	419,282
Expenses			
Employee compensation	2,382,911	2,193,273	189,638
Supplies and other	1,926,351	1,748,121	178,230
Provision for bad debt	255,622	244,444	11,178
Interest	146,075	118,388	27,687
Depreciation and amortization	293,342	274,475	18,867
	5,004,301	4,578,701	425,600
Income from Operations	194,457	200,775	(6,318)
Nonoperating Gains			
Investment Income	18,266	143,218	(124,952)
Change in fair value of interest rate swaps	(9,027)	(9,669)	642
Loss from early extinguishment of debt	(5,899)	(9,939)	4,040
	3,340	123,610	(120,270)
Excess of Revenues and Gains over Expenses	$197,797	$324,385	($126,588)

Net patient service revenues grew 8.7% or $397.3 million to $4.98 billion from 2007 to 2008. Inpatient revenues increased $156.8 million or 6.1% to $2.71 billion. Outpatient revenues grew $240.4 million to $2.27 billion, an increase of 11.8%. Other operating revenue grew $22.0 million or 11.4% to $215.2 million. Revenues rose because of regular rate increases received from many payers. Revenues were also positively affected by a slight shift in payer mix towards those payer classes that tend to pay a higher percent of charges and an increase in adjusted patient days of 17,571. Excess of revenues and gains over expenses as a percent of total revenues was 3.80% in 2008 as compared to 6.80% in 2007. The lower percentage in 2008 resulted primarily because investment income was $125 million lower as compared to 2007.

Two of the Obligated Group's key financial goals have been revenue enhancement and growth. Efforts to achieve these goals currently include: (i) carefully managing the collection of accounts receivable; (ii) reviewing pricing strategies; (iii) managing reductions in length of stay; (iv) strengthening the contract management programs with third party payers, including improving clinical documentation, identifying and recovering insurance underpayments and reviewing denials; and (v) recruiting and employing physicians. In 2006 the Obligated Group expanded its centralized payor contracting efforts to cover all hospitals except those that are part of the Centura joint venture.

The Obligated Group's operations are positively affected by the fact that many of its hospitals are in markets with growing populations. The chart below details projected growth for both the Multi-State and State of Florida Hospital divisions from years 2008 to 2012:

Adventist Health System
Hospital Division
Population Projections*
In Primary and Secondary Markets

Multi-State Hospital Division	2008-2013 Expected Growth (Reduction)
Appalachia Region – Includes the following hospitals:	
Jellico Community Hospital	2.9%
Memorial Hospital	-1.6%
Park Ridge Hospital	6.4%
Mid-America Region – Includes the following hospital:	
Shawnee Mission Medical Center	4.6%
Mid-West Region – Includes the following hospitals:	
Chippewa Valley Hospital and Oakview Care Center	1.5%
Adventist GlenOaks Hospital	0.5%
Adventist Hinsdale Hospital	-0.5%
Adventist LaGrange Memorial Hospital	-1.1%
Adventist Bolingbrook Hospital	15.6%
Rocky Mountain Region– Includes the following hospitals:	
Avista Adventist Hospital	7.0%
Littleton Adventist Hospital	12.3%
Parker Adventist Hospital	15.2%
Porter Adventist Hospital	3.2%
Southwest Region– Includes the following hospitals:	
Central Texas Medical Center	17.9%
Huguley Memorial Medical Center	11.5%
Tennessee/Georgia Region – Includes the following hospitals:	
Emory Adventist Hospital	10.6%
Gordon Hospital	9.5%
State of Florida Hospital Division	
Florida Hospital Region – Includes the following hospitals:	
Florida Hospital Medical Center Greater Orlando (7 sites)	11.6%
Florida Region – Includes the following hospitals:	
Florida Hospital Deland	10.6%
Florida Hospital Fish Memorial	10.7%
Florida Hospital Flagler	23.0%
Florida Hospital Heartland (3 sites)	6.4%
Florida Hospital-Ormond & Oceanside	12.1%
Florida Hospital Waterman	19.0%
Florida Hospital Zephyrhills	16.9%

*** Source: Health Care Planning Department**

Investment income declined $125 million or 87.2% to $18.3 million from 2007 to 2008. This occurred because alternative assets and equity market returns were lower in 2008 than in 2007.

Operating costs, excluding depreciation and interest expenses (collectively, "Capital Costs") and the loss on early extinguishment of debt, increased by $406.7 million or 9.45% from 2007 to 2008. The largest portion of this growth was in employee compensation, which grew 8.65% to $2.38 billion. As a percent of Total Operating Revenue ("TOR"), employee compensation was 45.8% compared to 45.9% in 2007. The management of employee compensation continues to be a significant challenge in some markets. In addition to normal wage increases, a shortage of some types of clinicians, including nurses, and tight labor situations for medical personnel have necessitated the substantial use of employment agencies. Also contributing to increased costs was the $178.2 million or 10.2% increase in supplies and other expenses to $1.93 billion. Much of this cost increase was driven by technological advances. While the cost increase for such items is immediate, the related reimbursement process sometimes takes as much as 18 to 24 months to pay for the added cost.

Interest expense increased $27.7 million in 2008 to $146.1 million. This occurred due to an increase in total debt outstanding of $160 million, higher interest rates on variable rate debt and the completion in 2008 of major construction projects for which interest costs have been capitalized in prior years.

Depreciation and amortization expense increased $18.9 million to $293.3 million in 2008. This resulted in part because the Obligated Group spent approximately $563.8 million on property, plant and equipment in 2008. This was up $25.3 million or 4.8% from 2007. A more detailed description of large construction projects is provided under the caption "RECENT EVENTS AND FUTURE PLANS" herein.

Days' cash on hand (calculated as Unrestricted Cash divided by daily operating expenses excluding depreciation and amortization expenses and the loss on early extinguishment of debt) decreased 3 days to 202 days at the end of 2008. The Obligated Group's capitalization ratio (long-term debt divided by long-term debt plus unrestricted net assets) increased to 49.9% at the end of 2008 as compared to 49.1% at the end of 2007.

The ratio of cash flow (excess of revenues and gains over expenses plus depreciation expense, interest expense, and the loss from early extinguishment of debt) to scheduled long-term debt service payments was 3.29 in 2008 as compared to 4.38 for 2007.

RECENT EVENTS AND FUTURE PLANS

General

As part of its annual budget and planning, the Obligated Group directs funds toward the regular maintenance and renovation of its hospital facilities, including the updating and modernization of certain of the Obligated Group's older facilities. In addition, the Obligated Group is constructing new hospital facilities and completing major renovations of existing facilities. The more significant construction and renovation projects are described below.

New or Expanded Hospital Facilities

The Obligated Group opened a new hospital on January 21, 2008 in Bolingbrook, Illinois, a southwestern suburb of Chicago. The hospital has 138 licensed beds and cost approximately $136 million. The hospital includes 106 medical/surgical beds, 20 obstetric beds and 12 intensive care beds, along with a Level II trauma center. Bolingbrook also owns and operates a free standing emergency center and certain other ancillary services on the hospital campus.

Shawnee Mission Medical Center completed a new 7-story, $110 million patient tower in December 2008. The new patient tower includes a 28 bed super-acuity intensive care unit, a 32 bed cardiac care unit, a new emergency department with 40 treatment rooms, a new endoscopy department, four new surgical suites, two shelled floors for future expansion, a new front entrance, a new chapel and gardens. Renovations to the existing tower included a $4.4 million expansion of the cardiac catheterization department, including the addition of a third catheterization lab and related areas. The departments for women's and children's services are also currently being renovated.

The two hospital campuses of Florida Hospital Ormond are scheduled to be replaced by a new 245-bed facility to be located on a 110-acre campus fronting Interstate 95 in Ormond Beach, Florida. Construction is almost complete, and the new facility is scheduled to open in the third quarter of 2009. The cost is estimated to be approximately $270 million.

Florida Hospital Projects

Florida Hospital has undergone major expansion and renovation projects, which were completed by the end of 2008 with a total projected cost of approximately $515 million. Florida Hospital Orlando has undergone a $313 million expansion project, which was completed in November 2008. It included a new inpatient tower, 200 new inpatient beds, a 70-bed Emergency Department, 15 Cardiac Catheterization Labs, cardiac diagnostic consolidation, nutritional services expansion, a new lobby, an energy plant, a 1,600 space parking garage, space to add 240 additional beds in the future and a new medical office building.

Florida Hospital Orlando is building a $33 million Institute for Surgical Advancement which is scheduled for completion in 2010 and consists of seven operating rooms, 18 pre-op/recovery rooms designated for neurosurgery, MRI and CAT scanners and an operating room of the future that will allow Florida Hospital to work with manufacturers in development of new technology. A $32 million, seven story, 160,000 square feet medical office building is scheduled for completion in 2010. A $67 million children's hospital expansion is scheduled for completion in 2011 and includes renovations on three floors to provide state of the art pediatric medical/surgical and intensive care unit beds, four operating rooms and 12 preoperative/recovery rooms.

The $90 million expansion project at Florida Hospital Altamonte was completed in late 2007 and includes a new 6-story patient tower, 72 inpatient beds, 11 intensive care unit beds, a 37-bed Emergency Department, cardiac services, renovation of the Surgery Department, improved radiology efficiencies, consolidated endoscopy services, a new lobby, a central energy plant expansion, and two shelled floors for future growth.

The Florida Hospital East Orlando $78 million expansion project was completed in the spring of 2007 and includes 80 inpatient beds, renovation and expansion of the Radiology Department, a new mobile MRI with an in-house scanner, a new Cardiopulmonary Department, a new lobby, a new patient financial services department, a new pre-admission services department, 470 surface parking spaces and additional shelled space to accommodate 80 inpatient beds. A $10 million surgery expansion is scheduled for completion in 2009 and includes a new 12,000 square feet Outpatient Surgery Center, as well as two newly equipped and larger inpatient operating rooms.

The Nicholson Center for Surgical Advancement at Celebration Health is a $15 million, 35,000 square feet, 320 person conference center that is scheduled for completion by late 2010. A $99 million expansion project which includes a 229,000 square feet patient tower with 40 new beds, another 80 beds shelled for the future and a 540 car garage is also scheduled for completion by the fall of 2011.

The Winter Park Memorial Hospital $21 million renovation and expansion was completed in November 2007. Included in the expansion is a new sleep disorders center, a chapel, 18 inpatient beds, a new MRI, multi-channel CT scanner and outpatient diagnostic radiology room and technology. A $21 million, 45,000 square feet Women's Pavilion expansion project is scheduled for completion in 2010 and will include new labor & delivery rooms, a Level II NICU, caesarean delivery operating rooms and postpartum rooms.

The Florida Hospital Kissimmee expansion was completed in December 2007. The expansion included re-licensing 23 inpatient beds for a total of 83 licensed beds at the end of 2007. New construction to be completed in 2009 will include a new 85,000 square feet medical office building with 20,000 square feet dedicated for outpatient services that will include an Outpatient Imaging Center, surgery and rehabilitation.

On June 30, 2008, Sunbelt purchased a vacant parcel of real property containing approximately 116 gross acres located in southeast Orange County near Lake Nona approximately 15 miles from Florida Hospital East Orlando. This acquisition was made as part of Sunbelt's current planning initiatives to provide additional flexibility in the future should Sunbelt decide to pursue clinical programs or other initiatives at this site. There are currently no definitive plans for the site.

Affiliations, Joint Ventures, Acquisitions and Divestitures

Significant numbers of affiliations, joint ventures, acquisitions and divestitures occur in the health care industry each year. As part of its on-going planning process, the Obligated Group continually considers opportunities for affiliations, joint ventures, acquisitions and divestitures. The Obligated Group is currently considering some potential whole hospital joint ventures. If any such joint ventures were completed, they could have an impact on the financial condition of the Obligated Group. There is no assurance that any joint ventures currently being considered will be completed, and if so, under what terms or conditions.

Health Care and UCH have entered into a joint venture agreement pursuant to which a new Florida not-for-profit corporation, PHCHS, has been established in order to provide health care services in a defined geographic area which primarily includes Pasco County. Health Care owns a 50% interest in PHCHS, and will initially manage the affairs of PHCHS pursuant to a management agreement. PHCHS will manage two hospital facilities in the defined geographic service area. Those two hospitals are Florida Hospital Zephyrhills ("FHZ"), which is affiliated with Health Care, and Helen Ellis, which is affiliated with UCH. Pursuant to the terms of the joint venture agreement, PHCHS will not have an economic interest in either FHZ or Helen Ellis, but will act solely as a management company. As such, the revenues and assets of FHZ will remain available to make payments on Notes issued pursuant to the Master Indenture, and FHZ will continue to operate under Health Care's policies and procedures. Conversely, the revenues and assets of Helen Ellis will remain available solely to UCH. In addition to its management responsibilities at FHZ and Helen Ellis, PHCHS received a CON in June 2007 for a new 80-bed acute care hospital facility to be located in the town of Wesley Chapel, Florida within Pasco County. A competing health system, which also has a proposed hospital project in Pasco County seeking a CON, appealed the CON approval of the new PHCHS hospital facility. On January 7, 2009, the Florida Agency for Health Care Administration issued its Final Order approving the CON for PHCHS and denying the CON for the competing health system.

On May 1, 2007, Sunbelt and Wellmont Health System entered into a joint venture and Sunbelt transferred the majority of the assets (excluding working capital) of Takoma Adventist Hospital in Greeneville, Tennessee to a new non-profit corporation of which Sunbelt and Wellmont Health System are the sole members. Sunbelt has a 40% financial interest in the new non-profit corporation and Wellmont Health System has a 60% financial interest. Governance of the Board of Directors is equally shared. The hospital is managed by Health Care. The new non-profit corporation is not a member of the Obligated Group. For the year ended December 31, 2006, Takoma Adventist Hospital contributed less than 1% to the total operating revenue of the Obligated Group.

Effective July 1, 2008, Health Care and Scott & White entered into a Membership Interest Agreement in which Scott & White acquired a 32% interest in Metroplex. Health Care continues to oversee management of the Metroplex facilities. Effective September 24, 2008, certain debt issued for the benefit of Metroplex was retired, and Metroplex was removed from the Obligated Group. For the year ended December 31, 2007, Metroplex contributed 2.63% of the Obligated Group's excess of revenues over expenses. Upon Metroplex's withdrawal from the Obligated Group, the Obligated Group redeemed or defeased approximately $89 million in outstanding tax-exempt bonds issued for the benefit of Metroplex with cash of the Obligated Group.

APPENDIX B

AUDITED COMBINED FINANCIAL STATEMENTS
OF
THE OBLIGATED GROUP

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Adventist Health System/Sunbelt Obligated Group

Audited Combined Financial Statements

December 31, 2008

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Adventist Health System/Sunbelt Obligated Group

Combined Balance Sheets

December 31, 2008 and 2007

(dollars in thousands)

ASSETS	2008	2007 (As Recast)
Current Assets		
Cash and cash management deposits	$ 2,598,014	$ 2,394,112
Investments	6,515	36,785
Current portion of assets whose use is limited	13,566	45,429
Patient accounts receivable, less allowance for uncollectible accounts of $278,240 in 2008 and $248,539 in 2007	251,530	290,724
Other receivables	255,655	194,667
Inventories	101,333	94,669
Prepaid expenses and other current assets	26,378	41,860
	3,252,991	3,098,246
Property and Equipment	3,360,682	3,079,571
Assets Whose Use is Limited, net of current portion	82,545	180,850
Other Assets	351,606	387,566
	$ 7,047,824	$ 6,746,233

LIABILITIES AND NET ASSETS	2008	2007 (As Recast)
Current Liabilities		
Accounts payable and accrued liabilities	$ 399,375	$ 374,069
Estimated settlements to third parties	95,014	90,847
Other current liabilities	54,528	95,420
Short-term financings	245,203	246,862
Current maturities of long-term debt	52,501	49,632
	846,621	856,830
Long-Term Debt, net of current maturities	2,904,422	2,745,608
Other Noncurrent Liabilities	221,389	138,817
	3,972,432	3,741,255
Net Assets		
Unrestricted	2,914,883	2,843,471
Temporarily restricted	160,509	161,507
	3,075,392	3,004,978
Commitments and Contingencies		
	$ 7,047,824	$ 6,746,233

The accompanying notes are an integral part of these combined financial statements.

Combined Statements of Operations and Changes in Net Assets

For the years ended December 31, 2008 and 2007

(dollars in thousands)	2008	2007 (As Recast)
Revenue		
Patient service	$ 4,983,535	$ 4,599,225
Other	215,223	193,490
Total operating revenues	5,198,758	4,792,715
Expense		
Employee compensation	2,382,911	2,201,597
Supplies	878,509	786,451
Professional fees	425,535	392,646
Provision for bad debts	255,622	244,936
Other	622,307	572,448
Interest	146,075	118,881
Depreciation and amortization	293,342	275,175
Total operating expenses	5,004,301	4,592,134
Income from Operations	194,457	200,581
Nonoperating Gains		
Investment income	18,266	144,115
Change in fair value of interest rate swaps	(9,027)	(9,669)
Loss from early extinguishment of debt	(5,899)	(9,939)
Total nonoperating gains	3,340	124,507
Excess of Revenue and Gains over Expenses	197,797	325,088
Unrestricted Net Assets		
Change in unrealized gains and losses on investments	(788)	(733)
Change in fair value of cash flow hedges	(102,101)	(31,885)
Transfers to affiliated entities	(34,521)	(33,121)
Net assets released from restrictions for purchase of property and equipment	10,493	21,665
Other	532	5,282
Increase in unrestricted net assets	71,412	286,296
Temporarily Restricted Net Assets		
Investment (loss) income	(637)	2,173
Gifts and grants	31,248	48,380
Net assets released from restrictions for purchase of property and equipment or use in operations	(23,989)	(32,716)
Other	(7,620)	(8,686)
(Decrease) increase in temporarily restricted net assets	(998)	9,151
Increase in Net Assets	70,414	295,447
Net assets, beginning of year	3,004,978	2,709,531
Net assets, end of year	$ 3,075,392	$ 3,004,978

The accompanying notes are an integral part of these combined financial statements.

Combined Statements of Cash Flows

For the years ended December 31, 2008 and 2007

(dollars in thousands)	2008	2007 (As Recast)
Operating Activities	$ 430,187	$ 506,671
Investing Activities		
Purchase of property and equipment, net	(563,778)	(588,762)
Decrease (increase) in investments	30,371	(5,151)
Decrease in assets whose use is limited	122,301	144,593
Decrease (increase) in other assets	8,001	(11,231)
	(403,105)	(460,551)
Financing Activities		
Repayments of long-term borrowings	(812,945)	(144,435)
Additional long-term borrowings	973,112	251,961
Repayments of short-term borrowings	(14,127)	(5,306)
Additional short-term borrowings	9,506	116,155
Payment of deferred financing costs	(4,133)	(9,223)
Restricted gifts and grants and investment income	30,611	50,553
Repayment of capital securities	–	(29,000)
Cash received for debt normalization	29,317	445
Transfers to affiliated organizations	(34,521)	(33,121)
	176,820	198,029
Increase in Cash and Cash Management Deposits	203,902	244,149
Cash and cash management deposits at beginning of year	2,394,112	2,149,963
Cash and Cash Management Deposits at End of Year	$2,598,014	$2,394,112
Operating Activities		
Increase in net assets	$ 70,414	$ 295,447
Depreciation	282,667	264,779
Amortization of goodwill	10,675	10,396
Amortization of deferred financing costs and original issue discounts and premiums	492	(672)
Change in unrealized gains and losses on investments	788	733
Change in fair value of interest rate swaps	111,128	41,554
Loss on extinguishment of debt	5,899	5,969
Restricted gifts and grants and investment income	(30,611)	(50,553)
Transfers to affiliated organizations	34,521	33,121
Changes in operating assets and liabilities:		
Patient accounts receivable	39,194	(38,669)
Other receivables	(60,988)	18,358
Other current assets	8,818	(5,914)
Accounts payable and accrued liabilities	22,471	(6,770)
Estimated settlements to third parties	4,167	(48,746)
Other current liabilities	(40,892)	(34,646)
Other noncurrent liabilities	(28,556)	22,284
	$ 430,187	$ 506,671

The accompanying notes are an integral part of these combined financial statements.

1. Significant Accounting Policies

Reporting Entity

Adventist Health System/Sunbelt Obligated Group (Obligated Group) is a group of not-for-profit healthcare corporations and their owned subsidiary divisions and affiliates, exempt from state and federal income taxes, that are primarily engaged in the provision of hospital services. The Obligated Group is defined by the Amended and Restated Master Trust Indenture dated as of May 1, 1995. These corporations are controlled affiliates of Adventist Health System Sunbelt Healthcare Corporation d/b/a Adventist Health System (Parent Corporation).

The Obligated Group includes Adventist Health System/Sunbelt, Inc. (Sunbelt), Florida Hospital Waterman, Inc., Adventist Health System/Georgia, Inc., Jellico Community Hospital, Inc., Fletcher Hospital, Inc., Memorial Hospital, Inc., Hinsdale Hospital, La Grange Memorial Hospital, GlenOaks Medical Center, Inc., Chippewa Valley Hospital & Oakview Care Center, Inc., Southwest Volusia Healthcare Corporation, Memorial Health Systems, Inc., Central Texas Medical Center, Inc., Florida Hospital Zephyrhills, Inc., Shawnee Mission Medical Center, Inc., and PorterCare Adventist Health System. Sunbelt is comprised of three operating divisions: Florida Hospital, Florida Hospital/Heartland Division, and Huguley Memorial Medical Center. The Obligated Group's 34 hospitals and various philanthropic foundations operate in 10 states – Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, North Carolina, Tennessee, Texas, and Wisconsin. Any subsidiary or other operations owned and controlled by members of the Obligated Group are included in these combined financial statements. All significant intercompany accounts and transactions have been eliminated in the combination.

The Parent Corporation is controlled by the Lake Union Conference of Seventh-day Adventists, the Mid-America Union Conference of Seventh-day Adventists, the Southern Union Conference of Seventh-day Adventists, and the Southwestern Union Conference of Seventh-day Adventists, and was organized to provide managerial, financial, and other services to members of the Obligated Group, other hospitals, and other healthcare facilities (hereafter collectively referred to as the System).

SunSystem Development Corporation (Foundation) is a charitable foundation operated by the System for the benefit of the hospitals that are members of the Obligated Group as well as other hospitals that are part of the System. The board of directors is appointed by the board of directors of the System. The Foundation is involved in philanthropic activities. The accounts of the Foundation related to the hospitals that are members of the Obligated Group are included in these combined financial statements.

Change in Reporting Entity

On July 1, 2008, the Parent Corporation sold a 32% membership interest in two Texas hospitals. In connection with this transaction, the two hospitals were removed from the Obligated Group, thereby effecting a change in the reporting entity. This change in reporting entity has been retrospectively applied to all prior periods presented. As a result of the change, excess of revenues and gains over expenses decreased to $325,088 as compared to $333,896 previously reported for the year ended December 31, 2007.

Use of Estimates

The preparation of these combined financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

Patient Service Revenue, Accounts Receivable, and Allowance for Uncollectible Accounts

The Obligated Group serves certain patients whose medical care costs are not paid at established rates. These patients include those sponsored under government programs such as Medicare and Medicaid, those sponsored under private contractual agreements, charity patients, and other uninsured patients who have limited ability to pay.

Patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered. The Obligated Group is subject to retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Adjustments to revenue related to prior periods increased patient service revenue by approximately $37,679 and $78,061 for the years ended December 31, 2008 and 2007, respectively.

Revenue from the Medicare and Medicaid programs represents approximately 34% and 35% of the Obligated Group's patient service revenue for the years ended December 31, 2008 and 2007, respectively. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Obligated Group grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements. To the extent the Obligated Group realizes additional losses resulting from higher credit risk for patients who are not identified as meeting or do not meet the charity definition described below, such additional losses are included in the provision for bad debts. Other than the accounts receivable related to the Medicare and Medicaid programs, there are no significant concentrations of accounts receivable due from an individual payor at December 31, 2008 and 2007.

The provision for bad debts is based on management's assessment of historical and expected net collections considering business and economic conditions, trends in healthcare coverage, and other collection indicators. Throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon the payor composition and aging of accounts receivable as well as retrospective reviews of subsequent cash collections. The results of these reviews are then used to make any modifications to the provision for bad debts to establish an estimated allowance for uncollectible accounts. Accounts receivable are written off after collection efforts have been followed in accordance with the Obligated Group's policies.

Charity Care

The Obligated Group's patient acceptance policy is based on its mission statement and its charitable purposes. Accordingly, the Obligated Group accepts patients in immediate need of care, regardless of their ability to pay. A patient is classified as a charity patient based on established policies of the Obligated Group. These policies define charity services as those services for which no payment is due for all or a portion of the patient's bill from either the patient or other third parties. For financial reporting purposes, charity care is excluded from patient service revenue. The amount of charity care provided, determined on the basis of charges, was 5.6% and 5.5% of gross patient service revenue for the years ended December 31, 2008 and 2007, respectively.

Excess of Revenue and Gains over Expenses

The combined statements of operations and changes in net assets include excess of revenue and gains over expenses, which is analogous to income from continuing operations of a for-profit enterprise. Changes in unrestricted net assets that are excluded from excess of revenue and gains over expenses, consistent with industry practice, include changes in unrealized gains and losses on certain investments, changes in the fair value of derivative financial instruments that qualify as cash flow hedges, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Contributed Resources

Resources restricted by donors for specific operating purposes or a specified time period are held in temporarily restricted net assets until expended for the intended purpose or until the specified time restrictions are met, at which time they are reported as other revenue. Resources restricted by donors for additions to property and equipment are held in temporarily restricted net assets until the assets are placed in service, at which time they are reported as transfers to unrestricted net assets. Gifts, grants, and bequests not restricted by donors are reported as other revenue. At December 31, 2008 and 2007, temporarily restricted net assets are available for various programs and capital expenditures at the Obligated Group's hospitals.

Cash Equivalents

Cash equivalents include all highly liquid investments, including certificates of deposit and commercial paper with maturities not in excess of three months when purchased. Interest income on cash equivalents is included in investment income.

Functional Expenses

The Obligated Group does not present expense information by functional classification because its resources and activities are primarily related to providing healthcare services. Further, since the Obligated Group receives substantially all of its resources from providing healthcare services in a manner similar to a business enterprise, other indicators contained in these combined financial statements are considered important in evaluating how well management has discharged its stewardship responsibilities.

Derivative Financial Instruments

As part of certain Obligated Group debt management programs, the Obligated Group utilizes interest rate swaps including basis swaps and forward-starting interest rate swaps. The Obligated Group accounts for its derivative financial instruments under Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended (SFAS 133), and Statement of Position 02-2, *Accounting for Derivative Instruments and Hedging Activities by Not-for-Profit Healthcare Organizations, and Clarification of the Performance Indicator* (SOP 02-2). SOP 02-2 requires that not-for-profit healthcare organizations apply the provisions of SFAS 133 (including the provisions pertaining to cash flow hedge accounting) in the same manner as for-profit enterprises.

SFAS 133 requires companies to recognize all derivative instruments as either assets or liabilities in the balance sheet at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge or a hedge of the foreign currency exposure of a net investment in a foreign operation.

At December 31, 2008 and 2007, the Obligated Group has no derivative instruments that are designated as fair value hedges or as hedges of the foreign currency exposure of a net investment in a foreign operation.

The effective portion of the change in fair value of interest rate swaps that qualify as cash flow hedges under SFAS 133 is reflected as a component of changes in unrestricted net assets while the ineffective portion is included in nonoperating gains (losses) in the accompanying combined statements of operations and changes in net assets. The change in fair value of interest rate swaps that do not qualify as cash flow hedges under SFAS 133 is also reflected as a component of nonoperating gains (losses) in the accompanying combined statements of operations and changes in net assets. Hedging instruments with a positive fair value are classified as other noncurrent assets and those with a negative fair value are classified as other noncurrent liabilities in the accompanying combined balance sheets.

Sale of Patient Accounts Receivable

The System and certain of its member affiliates maintain a program (Program) for the continuous sale of certain patient accounts receivable to Highlands County Health Facilities Authority (Highlands) on a nonrecourse basis. Highlands has partially financed the purchase of the patient accounts receivable through the issuance of tax-exempt bonds (Bonds), of which Highlands had \$304,920 and \$307,220 outstanding as of December 31, 2008 and 2007, respectively.

As of December 31, 2008 and 2007, the estimated net realizable value, as defined in the underlying agreements, of patient accounts receivable sold and removed from the accompanying combined balance sheets was \$484,345 and \$428,541, respectively. The patient accounts receivable sold consist primarily of amounts due from government programs and commercial insurers. The proceeds received from Highlands consist of cash from the Bonds, a note on a subordinated basis with the Bonds and a note on a parity basis with the Bonds. The note on a subordinated basis with the Bonds is in an amount to provide the required overcollateralization of the Bonds, and was \$86,003 and \$42,041 at December 31, 2008 and 2007, respectively.

The note on a parity basis with the Bonds is the excess of eligible accounts receivable sold over the sum of cash received and the subordinated note, and was $93,422 and $87,379 at December 31, 2008 and 2007, respectively. These notes are included in other receivables (current). Due to the nature of the patient accounts receivable sold, collectability of the subordinated and parity notes is not significantly impacted by credit risk.

During 2008, Highlands restructured the Program by converting the Bonds from insured auction rate securities to variable-rate demand bonds, which are supported by a bank letter of credit arrangement that expires in 2011. Additionally, the System's collateral requirements were also increased in connection with the restructuring of the Program.

Inventories

Inventories (primarily pharmaceuticals and medical supplies) are stated at the lower of cost or market under the first-in, first-out method of valuation.

Property and Equipment

Property and equipment are reported on the basis of cost, except for donated items, which are recorded at fair value at the date of the donation. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Depreciation is computed primarily utilizing the straight-line method over the expected useful lives of the assets. Amortization of capitalized leased assets is included in depreciation expense and allowances for depreciation.

Assets Whose Use is Limited

Certain of the Obligated Group's assets are limited as to use under the terms of bond indentures and investments held under trust agreements. Interest and dividend income and realized gains and losses on assets whose use is limited are reported as nonoperating gains.

Deferred Financing Costs

Direct financing costs are included in other assets (noncurrent) and deferred and amortized over the remaining lives of the financings using the effective interest method.

Goodwill

Goodwill represents the excess of the purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of the businesses acquired. These amounts are included in other assets (noncurrent) and are being amortized utilizing the straight-line method primarily over periods ranging from 20 to 37 years.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or business conditions indicate the carrying amount of such assets may not be fully recoverable. Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or group of assets. Where impairment is indicated, the carrying amount of these long-lived assets is reduced to fair value based on discounted net cash flows or other estimates of fair value.

Bond Discounts and Premiums

Bonds payable, including related original issue discounts and/or premiums, are included in long-term debt. Discounts and premiums are being amortized over the life of the bonds using the effective interest method.

Income Taxes

The Obligated Group follows Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48), which clarifies the accounting for uncertainty in income tax positions recognized in financial statements in accordance with Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes.* FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Reclassifications

Certain reclassifications were made to the 2007 combined financial statements to conform to the classification used in 2008. These reclassifications had no impact on the combined change in net assets previously reported.

2. Cash Management Deposits

The Obligated Group, along with other member affiliates of the System, participates in a cash management program managed by the Parent Corporation. This cash management program maintains separate accounts for each division and member affiliate at one central bank. Cash management deposits have the general characteristics of demand deposits in that the Obligated Group may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty, subject to limitations set by controls established by the Parent Corporation. Certain deposits are federally insured in limited amounts. Amounts are transferred each day to or from a central investment pool maintained by the Parent Corporation. Cash management deposits approximated $2,471,000 and $2,362,000 at December 31, 2008 and 2007, respectively, and are included in cash and cash management deposits in the accompanying combined balance sheet.

The central investment pool primarily invests in fixed income instruments, equity instruments and alternative investments (primarily hedge funds) through partnership investment trusts. Fixed income and equity instruments within the central investment pool are recorded at fair value. The System has designated all fixed income instruments within the central investment pool as other than trading securities and, accordingly, changes in unrealized gains and losses are included in the System's unrestricted net assets and allocated to the participants in the central investment pool when realized. The central investment pool's primary equity investment portfolio includes various domestic and foreign stock exchange indices and equity options, including puts and calls. The System has designated these equity instruments within the primary equity investment portfolio as trading securities and, accordingly, changes in unrealized gains and losses are included in the System's excess of revenues and gains over expenses and are allocated to the participants in the period they occur. Ownership interest in alternative investments is accounted for under the equity method. Accordingly, the System recognizes its share of the hedge funds' income or loss, both realized and unrealized, as investment income or loss. Certain other equity investments, primarily held by the Obligated Group's foundations, are designated as other than trading and the related changed in unrealized gains and losses are included in the Obligated Group's unrestricted net assets. Investment income on the accompanying combined statement of operations and changes in net assets includes the Obligated Group's allocated share of the central investment pool's income, which includes interest and dividend income, realized gains and losses, certain unrealized gains and losses, and income or loss from hedge funds. See note 3 for details of investment income for the years ended December 31, 2008 and 2007.

For the years ended December 31, 2008 and 2007 (dollars in thousands)

The central investment pool participates in securities lending transactions with its custodian, whereby a portion of its investments is loaned to certain brokerage firms in return for cash and securities from the brokers as collateral for the investments loaned, usually on a short-term basis. Collateral provided by brokers is maintained at levels approximating 102% of the fair value of the securities on loan and is adjusted for daily market fluctuations.

Total investments included in the central investment pool are comprised of the following:

	December 31	
	2008	2007
Fixed income instruments		
U.S. government agencies and sponsored entities	66%	67%
U.S. corporate and asset-backed	1	6
Accrued interest	1	1
Equity instruments		
Index securities	10	–
Options	1	–
Alternative investments	21	26
	100%	100%

3.Assets Whose Use is Limited

Assets Whose Use is Limited

Assets whose use is limited include investments held by bond trustees and investments held under other trust agreements. Amounts to be used for the payment of current liabilities are classified as current assets. Management has designated all fixed income and equity instruments within assets whose use is limited as other than trading securities and, accordingly, changes in unrealized gains and losses are included in unrestricted net assets.

Indenture requirements of tax-exempt financings by the Obligated Group provide for the establishment and maintenance of various accounts with trustees. These arrangements require the trustee to control the expenditure of debt proceeds, as well as the payment of interest and the payment of debt to bondholders.

Notes to Combined Financial Statements

For the years ended December 31, 2008 and 2007 (dollars in thousands)

Assets whose use is limited is comprised of the following:

	December 31 2008	December 31 2007
Other than trading portfolio		
Fixed income instruments		
U.S. government agencies	$ 43,920	$ 48,407
U.S. corporate and asset-backed	265	119
Accrued interest	7,612	7,401
	51,797	55,927
Equity instruments		
U.S. treasury index securities	1,610	2,004
Domestic	1,097	1,847
Foreign	469	1,297
	3,176	5,148
Cash and cash equivalents	41,138	165,204
	$ 96,111	$ 226,279

A summary of the major limitations as to the use of these assets consists of the following:

	December 31 2008	December 31 2007
Investments held by bond trustees		
Construction funds	$ 10,454	$ 149,921
Required bond funds	53,350	57,721
	63,804	207,642
Employee benefits funds	20,048	3,983
Other	12,259	14,654
	96,111	226,279
Less amount to pay current liabilities	(13,566)	(45,429)
	$ 82,545	$ 180,850

Investment Income and Unrealized Gains and Losses

Total investment income from the central investment pool allocation (see note 2) and assets whose use is limited amounted to $18,266 and $144,115, for the years ended December 31, 2008 and 2007, respectively, and consists of the following:

	December 31 2008	December 31 2007
Interest and dividend income	$ 47,583	$ 93,532
Net realized and unrealized gains/losses and other than temporary losses	51,561	(12,339)
The Obligated Group's share of hedge funds' (loss) income	(80,878)	62,922
	$ 18,266	$ 144,115

Changes in unrealized gains and losses that are included as a reduction of unrestricted net assets in the combined statements of operations and changes in net assets totaled $788 and $733 for 2008 and 2007, respectively.

Notes to Combined Financial Statements

For the years ended December 31, 2008 and 2007 (dollars in thousands)

4. Unrestricted Cash and Investments

The Obligated Group's unrestricted cash and cash management deposits and investments consist of the following:

	December 31 2008	December 31 2007
Cash and cash management deposits	$ 2,598,014	$ 2,394,112
Investments	6,515	36,785
	$ 2,604,529	$ 2,430,897
Days cash and investments on hand	202	205

Days cash and investments on hand is calculated as unrestricted cash and cash management deposits and investments divided by daily operating expenses (excluding depreciation and amortization).

5. Property and Equipment

Property and equipment consists of the following:

	December 31 2008	December 31 2007
Land and improvements	$ 485,680	$ 371,939
Buildings and improvements	2,453,456	2,074,342
Equipment	2,367,816	1,936,348
	5,306,952	4,382,629
Less allowances for depreciation	(2,330,110)	(2,058,707)
	2,976,842	2,323,922
Construction in progress	383,840	755,649
	$ 3,360,682	$ 3,079,571

Certain hospitals have entered into construction contracts for which costs have been incurred and included in construction in progress. As of December 31, 2008, construction in progress represents several significant projects, including a replacement facility in Florida and a patient tower addition in Kansas. These and other committed projects will be financed through operations, proceeds from borrowings, and existing construction funds held by trustees (see note 3). The estimated costs to complete these projects approximate $130,000 at December 31, 2008.

During periods of construction, interest costs are capitalized to the respective property accounts. Interest capitalized approximated $16,907 and $14,656 for the years ended December 31, 2008 and 2007, respectively.

The Obligated Group leases certain property and equipment under operating leases. Lease and rental expense was approximately $65,295 and $58,133 for the years ended December 31, 2008 and 2007, respectively.

Notes to Combined Financial Statements

For the years ended December 31, 2008 and 2007 (dollars in thousands)

6. Other Assets

Other assets consists of the following:

	December 31	
	2008	2007
Goodwill	$ 143,985	$ 147,450
Deferred financing costs	29,209	46,493
Notes and loans receivable	32,515	32,512
Prepaid data processing fees (note 12)	44,195	47,088
Other noncurrent assets	101,702	114,023
	$ 351,606	$ 387,566

7. Long-Term Debt

Long-term debt consists of the following:

	December 31	
	2008	2007
Fixed-rate Hospital Revenue Bonds, interest rates from 3.25% to 6.88%, payable through 2038	$ 1,406,665	$ 1,510,401
Variable-rate Hospital Revenue Bonds, payable through 2038	1,429,017	1,214,130
Capitalized leases payable	20,775	8,749
Line of credit	46,000	–
Payable to related parties	1,495	1,945
Other indebtedness	15,886	15,918
Unamortized original issue premiums, net	37,085	44,097
	2,956,923	2,795,240
Less current maturities	(52,501)	(49,632)
	$ 2,904,422	$ 2,745,608

Master Trust Indenture

Long-term debt has been issued primarily on a tax-exempt basis. Substantially all bonds are secured under a master trust indenture which provides for, among other things, the deposit of revenues with the master trustee in the event of certain defaults, pledges of accounts receivable, pledges not to encumber property and limitations on additional borrowings.

Variable-Rate Bonds

Certain variable-rate bonds may be put to the Obligated Group at the option of the bondholder. The variable-rate bonds have associated remarketing agreements, which generally provide the Obligated Group the option to market the obligations at the then prevailing market rates for periods ranging from seven days to the maturity dates. The obligations have been primarily marketed for seven-day periods during 2008, with interest rates ranging from 0.05% to 15.00%. The Obligated Group has various sources of liquidity in the event any variable-rate bonds are put and not remarketed, including bank letter of credit agreements. The bank letter of credit agreements provide, among other things, that in the event a market for these obligations is not sustained, the bank would purchase the obligations at rates that vary with LIBOR. The Obligated Group's obligation to the bank would be payable in accordance with the variable-rate bonds' original maturities over the remaining term of the letter of credit agreements, with the remaining amount due upon expiration of the letter of credit agreements.

The System has a Revolving Note agreement in the amount of $1,900,000 for letter of credit agreements, liquidity facilities and general corporate needs, including working capital, capital expenditures, and acquisitions. The Revolving Note, which expires in December 2011, has certain prime rate and LIBOR-based pricing options. At December 31, 2008 and 2007, the System had $1,324,979 and $498,935, respectively, committed to letters of credit agreements that secure variable-rate bonds. At December 31, 2008, $90,000 was outstanding under the Revolving Note. The Obligated Group received $55,000 of these proceeds and related obligation, of which $9,000 is classified as short-term financings and $46,000 as long-term debt in the accompanying combined balance sheet. No amounts were outstanding under the Revolving Note as of December 31, 2007.

Additionally, as of December 31, 2008 and 2007, the Obligated Group had $81,615 and $171,140, respectively, of variable-rate bonds supported by standby bond purchase agreements. These agreements provide, among other things, that in the event a market for certain obligations is not sustained, the bank would purchase the obligations at rates that vary with the higher of the prime rate or the federal funds rate. The Obligated Group's obligation to the bank would be payable in accordance with the variable-rate bonds' original maturities over the remaining term of the standby bond purchase agreements, with the remaining amount due upon expiration of the standby bond purchase agreements in March 2013.

Variable-rate bonds that are not supported by bank letter of credit agreements or are supported by agreements that expire within a year are included as short-term financings in the accompanying combined balance sheets.

Debt Issuances

During 2008, the Obligated Group issued variable-rate bonds with par amounts totaling $250,000 with maturity dates ranging from 2037 to 2038. The Obligated Group also issued bonds with par amounts totaling $68,000 with fixed interest rates ranging from 5.85% to 6.50% through mandatory redemption dates ranging from 2012 to 2015 and final maturity dates ranging from 2035 to 2038. With the proceeds, the Obligated Group financed or refinanced certain costs of the acquisition, construction, renovation, and equipping of certain facilities.

During 2007, the Obligated Group issued variable-rate bonds with par amounts totaling $250,000 with maturity dates ranging from 2008 to 2037. The Obligated Group also issued variable-rate, short-term financings in the amount of $116,445. With the proceeds, the Obligated Group financed or refinanced certain costs of the acquisition, construction, renovation and equipping of certain facilities.

Debt Extinguishments

During 2008, the Obligated Group extinguished certain debt obligations with par amounts totaling $196,115. These obligations were retired using available funds. In connection with these extinguishments, the Obligated Group recorded a net gain of $11,474, which is included in the loss from early extinguishment of debt.

Certain of the Obligated Group's variable-rate bonds include auction rate securities (Auction Rate Bonds) and variable-rate demand bonds backed by bond insurers (Insured Variable-Rate Demand Bonds). Due to the ratings downgrades of various bond insurers and general credit market instability, the rates of interest on these Auction Rate Bonds as well as certain Insured Variable-Rate Demand Bonds increased during 2008. The related indenture agreements provide multiple methods of determining interest rates and the option for the Obligated Group to change the method of determining these interest rates (mode changes).

For the years ended December 31, 2008 and 2007 (dollars in thousands)

During 2008, the Obligated Group completed mode changes on approximately $509,800 of Auction Rate Bonds and $82,245 of Insured Variable-Rate Demand Bonds, which now utilize credit support from the System's existing Revolving Note. Mode changes are considered to be extinguishments and reissuances of the respective debt obligations for accounting purposes. Accordingly, this activity has been reflected as repayments and additional long-term debt borrowings in the accompanying combined statements of cash flows for the year ended December 31, 2008. Additionally, in connection with these mode changes, the Obligated Group recorded a charge of $17,373 as a loss from early extinguishment of debt.

During 2007, the Obligated Group extinguished certain debt obligations with par amounts totaling $98,115. These obligations were retired using available funds. In connection with these extinguishments, the Obligated Group recorded a charge of $8,326 as a loss from early extinguishment of debt.

Debt Maturities

Maturities of long-term debt consist of the following:

2009	$ 52,501
2010	56,130
2011	99,471
2012	56,602
2013	46,994
Thereafter	2,608,140

Interest Rate Swap Agreements

The Obligated Group uses derivative financial instruments not designated as hedges to manage net exposure to interest rate changes related to its borrowings and to lower its overall borrowing costs. Derivative instruments are contracts between the Obligated Group and a third party (counterparty) that provide for economic payments between the parties based on changes in some defined market security or index or combination thereof.

The Obligated Group utilizes interest rate swaps, including basis swaps and forward-starting interest rate swaps. Interest rate swap agreements obligate two parties to exchange, at specified intervals, interest payment streams calculated on an agreed-upon notional principal amount. The Obligated Group's interest rate swap agreements effectively convert certain of its variable-rate debt to a fixed-rate basis through 2016, thus reducing the impact of interest-rate changes on future interest expense. In accordance with SFAS 133, the Obligated Group has designated these interest rate swap agreements as cash flow hedges.

The fair values of the derivative financial instruments, consisting primarily of instruments designed as cash flow hedges, was approximately $(151,136) and $(63,524) at December 31, 2008 and 2007, respectively, and are included in other noncurrent liabilities in the accompanying combined balance sheets. The System has posted collateral in the normal course of business on certain interest rate swaps with negative values. This collateral totaled approximately $53,496 and $26,326 as of December 31, 2008 and 2007, respectively, and is included in the central investment pool.

Notes to Combined Financial Statements

For the years ended December 31, 2008 and 2007 (dollars in thousands)

On September 14, 2008, a counterparty to nine interest rate swap agreements with notional amounts totaling approximately $852,587 filed for bankruptcy. The Obligated Group terminated these interest rate swap agreements in accordance with the terms of the related interest rate swap agreements. Five of these interest rate swaps were designated as cash flow hedges. However, such designation ceased as of September 14, 2008, the date of the counterparty's bankruptcy filing. As a result, the related accumulated loss recorded in unrestricted net assets totaling approximately $21,124 as of September 14, 2008 will be reclassified into the excess of revenues and gains over expenses over the remaining term of the respective interest rate swap agreements using the effective interest method. The positive change in market value on these interest rate swaps from September 14, 2008 to the date of termination was $13,100 and has been reflected in nonoperating gains (losses) in the accompanying combined statements of operations and changes in net assets.

The changes in the accumulated loss included in unrestricted net assets associated with the Obligated Group's cash flow hedges is as follows:

	Years Ended December 31	
	2008	2007
Accumulated net derivative loss included in unrestricted net assets at beginning of year	$ (94,547)	$ (65,694)
Net change associated with current period hedging transactions	(102,101)	(31,885)
Net reclassifications into excess of revenue and gains over expenses	3,087	2,982
Accumulated net derivative loss included in unrestricted net assets at end of year	$ (193,561)	$ (94,597)

The Obligated Group expects that the amount of gain or loss existing in unrestricted net assets to be reclassified into excess of revenue and gains over expenses within the next twelve months will not be significant.

8. Capital Securities

During 1997, the Obligated Group, through a wholly owned statutory business trust, issued $100,000 of Capital Securities. These Capital Securities had a stated earnings rate of 8.61%. Prior to 2006, the Obligated Group purchased and cancelled approximately $71,000 of the Capital Securities. The Obligated Group was obligated to redeem the remaining Capital Securities in 2046 and could redeem them any time on or after September 1, 2007. During 2007, the Obligated Group redeemed the remaining $29,000 of the Capital Securities, resulting in a loss of $1,613, which has been included in the loss from early extinguishment of debt in the accompanying combined statements of operations and changes in net assets.

9. Retirement Plans

The Obligated Group participates with other Seventh-day Adventist healthcare entities in a defined contribution retirement plan (Plan) that covers substantially all full-time employees who are at least 18 years of age. The Plan is exempt from the Employee Retirement Income Security Act of 1974. The Plan provides, among other things, that the employer contribute 2.6% of wages, plus additional amounts for very highly paid employees. Additionally, the Plan provides that the employer match 50% of the employee's contributions up to 4% of the contributing employee's wages, resulting in a maximum available match of 2% of the contributing employee's wages each year.

Contributions to the Plan are determined by the administrators annually. These contributions are included in employee compensation in the amount of $57,686 and $50,951 for the years ended December 31, 2008 and 2007, respectively.

Prior to January 1, 1992, substantially all of the Obligated Group's entities participated in a multiemployer, noncontributory defined benefit retirement plan (Old Plan) administered by the General Conference of Seventh-day Adventists and exempt from the Employee Retirement Income Security Act of 1974. During 1992, the Old Plan was suspended and the Plan was established. The Obligated Group, along with the other participants in the Old Plan, may be required to make future contributions to the Old Plan to fund any difference between the present value of the Old Plan benefits and the market value of the Old Plan assets. Future funding amounts and the funding time period have not been determined by the Old Plan administrators; however, management believes the impact of any such future decisions will not have a material adverse effect to the Obligated Group's combined financial position.

10. Medical Malpractice

The System established a self-insured revocable trust (Trust) which covers the System's facilities for claims below a specified level (Excess Level). Claims above the Excess Level are covered by a claims-made policy with a commercial insurance company. An Excess Level of $2,000 was established for the year ended December 31, 2001. The Excess Level was increased to $7,500 and $15,000 effective January 1, 2002 and 2003, respectively, and has remained at $15,000 through December 31, 2008.

The assets and liabilities related to the Trust are recorded in the Parent Corporation's financial statements.

11. Contingencies

Certain of the Obligated Group's organizations are involved in litigation arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without material adverse effect to the Obligated Group's combined financial position.

12. Transactions with Related Organizations

Certain transactions are made with the Parent Corporation on a routine basis. These transactions are comprised of management fees (includes fees for management and other services provided by the Parent Corporation), allocated amounts for medical malpractice, workers' compensation, and other fees (includes legal fees, taxes, professional fees, etc., initially paid for by the Parent Corporation).

For the years ended December 31, 2008 and 2007 (dollars in thousands)

Transactions processed by the Parent Corporation consist of the following:

	Year ended December 31	
	2008	2007
Information technology services	$ 71,169	$ 73,506
Management fees	38,036	35,064
Medical malpractice insurance	62,113	72,604
Workers' compensation insurance	9,262	11,836
Other fees	12,262	12,339
Total	$ 192,842	$ 205,349

During 2008 and 2007, the Obligated Group transferred $34,521 and $33,121, respectively, to the Parent Corporation to assist in funding various System operating and capital needs.

In addition to transactions with the Parent Corporation, certain transactions are made from time to time with other organizations principally related through common affiliations with the Seventh-day Adventist Church. Receivables from and payables to related organizations are principally related to the Parent Corporation and other affiliated organizations. These amounts consist of the following:

	December 31	
	2008	2007
Receivables from related organizations included in other receivables (current)	$ 13,926	$ 20,660
Receivables from related organizations included in other assets (noncurrent)	170	199
Payables to related organizations included in other current liabilities	20,251	1,948

The Obligated Group has prepaid for certain data processing services to a related organization. The amount paid during 2008 and 2007 was approximately $8,348 and $10,267, respectively. The unamortized portion of the prepaid fees is included in other current assets and other noncurrent assets (see note 6) and will be amortized in future years.

13. Fair Value Measurements

Effective January 1, 2008, the Obligated Group adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157), which provides a framework for measuring fair value of certain assets and liabilities and expands disclosures about fair value measurements. As defined in SFAS 157, 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. SFAS 157 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

Certain of the Obligated Group's financial assets and financial liabilities are measured at fair value on a recurring basis, including cash equivalents, fixed income and equity instruments and interest rate swap agreements. The three levels of the fair value hierarchy defined by SFAS 157 and a description of the valuation methodologies used for instruments measured at fair value are as follows:

For the years ended December 31, 2008 and 2007 (dollars in thousands)

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Obligated Group has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on pricing inputs which are either directly observable or that can be derived or supported from observable data as of the reporting date. Level 2 inputs may include quoted prices for similar assets or liabilities in non-active markets or pricing models whose inputs are observable for substantially the full term of the asset or liability. Instruments in this category include certain U.S. government agency and sponsored entity debt securities and interest rate swap agreements.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. The Obligated Group has no financial assets or financial liabilities with significant Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis were determined using inputs comprised of the following at December 31, 2008:

	Total	Level 1	Level 2	Level 3
Assets				
Cash equivalents	$ 42,916	$ 42,916	$ –	$ –
Other than trading securities	53,830	9,953	43,877	–
Total	$ 96,746	$ 52,869	$ 43,877	$ –
Liabilities				
Interest rate swaps	$ 151,136	$ –	$ 151,136	$ –
Total	$ 151,136	$ –	$ 151,136	$ –

The fair value of the financial assets that comprise the central investment pool that are measured at fair value on a recurring basis were determined using inputs comprised of the following at December 31, 2008:

	Total	Level 1	Level 2	Level 3
Assets				
Cash equivalents	12%	12%	–	–
Other than trading securities	75	–	75	–
Trading securities	13	13	–	–
Total	100%	25%	75%	–

For the years ended December 31, 2008 and 2007 (dollars in thousands)

Within the central investment pool, the fair values of the securities included in Level 1 were determined through quoted market prices, while the fair values of Level 2 securities were primarily determined through evaluated bid prices provided by third party pricing services where quoted market values are not available. The fair values of interest rate swaps were determined based on the present value of expected future cash flows using discount rates appropriate with the risks involved.

The carrying value of cash, accounts receivable and accounts payable are reasonable estimates of their fair value due to the short-term nature of these financial instruments. The fair values of the Obligated Group's fixed-rate bonds are based on quoted market prices for the same or similar issues and approximate $1,210,929 and $1,530,704 as of December 31, 2008 and 2007, respectively. The carrying amount approximates fair value for all other long-term debt (see note 7).

14. Fourth Quarter Results of Operations (Unaudited)

The Obligated Group's operating results for the three months ended December 31, 2008 are presented below:

Revenue	
Patient service	$ 1,292,906
Other	52,279
Total operating revenues	1,345,185
Expenses	
Employee compensation	609,990
Supplies	217,494
Professional fees	106,328
Provision for bad debts	81,543
Other	150,218
Interest	39,679
Depreciation and amortization	75,121
Total operating expense	1,280,373
Income from Operations	64,812
Nonoperating Gains (Losses)	
Investment income	7,004
Change in fair value of interest rate swaps	(6,249)
Gain from early extinguishment of debt	6,791
Total nonoperating gains	7,546
Excess of Revenue and Gains over Expenses	72,358
Other changes in unrestricted net assets, net	(105,880)
Decrease in temporarily restricted net assets, net	(13,693)
Decrease in net assets	$ (47,215)

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Report of Independent Certified Public Accountants

The Board of Directors
Adventist Health System Sunbelt Healthcare Corporation
d/b/a Adventist Health System

We have audited the accompanying combined balance sheets of Adventist Health System/Sunbelt Obligated Group (the Obligated Group), as defined in note 1, as of December 31, 2008 and 2007, and the related combined statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Obligated Group's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Obligated Group's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Obligated Group's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of the Obligated Group at December 31, 2008 and 2007, and the combined results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Ernst + Young LLP

Orlando, Florida
February 20, 2009

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APPENDIX C

DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS

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INTRODUCTION

This Appendix C contains the definitions of certain terms used in, and summarizes the provisions of, the Bond Indenture, the Loan Agreements and the Notes executed and delivered in connection with the Series 2009C Bonds described in the forepart of this Official Statement. In addition this Appendix C contains the definitions of certain terms and summarizes certain provisions of the Master Indenture.

DEFINITIONS OF CERTAIN TERMS

The following terms shall have the following meanings when used in this Official Statement.

"Accreted Value" means, with respect to any Additional Note constituting Capital Appreciation Debt, (a) as of any Valuation Date, the amount set forth for such Valuation Date in the Related Supplemental Indenture creating such Additional Note and, (b) as of any date other than a Valuation Date, the sum of (1) the Accreted Value of such Additional Note as of the next preceding Valuation Date and (2) the product of (x) a fraction, the numerator of which is the number of days elapsed from such preceding Valuation Date to such other date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (y) the difference between (I) the Accreted Value of such Additional Note as of such succeeding Valuation Date and (II) the Accreted Value of such Additional Note as of such preceding Valuation Date.

"Additional Notes" means the Notes of the Obligated Group issued under the Master Indenture after May 1, 1995. Additional Notes must be either Class A Notes or Class B Notes, as specified in the Related Supplemental Indenture creating such Additional Notes.

"Adjusted Annual Revenue" means, with respect to any Person and as of any date of determination thereof, the total revenue of such Person for a given fiscal year, including, without limitation, patient service revenues, interest income, other operating income and non-operating income, other than gifts restricted for purposes other than operations, less contractual adjustments with third party payors and adjustments for free services relating to such fiscal year, but excluding in any event: (i) income derived from the sale of assets not in the ordinary course of business; (ii) any gain or loss from the extinguishment of debt or any other extraordinary item; (iii) earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on any indebtedness; (iv) any gain or loss on the sale or other disposition of investments or fixed or capital assets not in the ordinary course of business; and (v) earnings resulting from any reappraisal, revaluation or write-up of assets, all as determined in accordance with generally accepted accounting principles from time to time in effect.

"Adjustment Date" means the first day of each Rate Period, including without limitation each Proposed Variable to Fixed Rate Conversion Date and each Proposed Fixed to Variable Rate Conversion Date (each as defined in the Bond Indenture).

"Affiliate" means, for purposes of the Master Indenture, an individual, partnership, corporation, trust or unincorporated organization which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, any Member or the General Conference of Seventh-day Adventists, and all such entities controlled by any of them. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any such entity, whether through membership, by contract or otherwise.

"Affiliate" means, for purposes of the Bond Indenture, with respect to any Person, any Person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person or is treated as a single employer with such first Person under Section 414(b) or (c) of the Code, and the regulations thereunder. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

"AHS/Georgia" means Adventist Health System Georgia, Inc., a Georgia not-for-profit corporation, and its successors and assigns.

"AHS/Georgia Facilities" means the land, buildings and equipment used in the operation of the general acute care hospital and related facilities owned and operated by AHS/Georgia and located in Calhoun, Georgia.

"AMBAC" means Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance corporation, and its successors and assigns.

"ARS Rate Bonds" means Bonds bearing interest as auction rate securities as provided in the Bond Indenture.

"Authority" means the Kansas Development Finance Authority, a body politic and corporate and a public instrumentality duly organized and existing under the laws of the State of Kansas, and its successors and assigns.

"Authority Act" means the Kansas Development Finance Authority Act, K.S.A.74-8901 *et seq*, as the same has heretofore been amended and as the same may hereafter be amended.

"Authorized Denominations" means, for Multi-Mode Bonds, (i) during a Flexible, Daily, Weekly, One Month, Six Month or One Year Rate Period (each as defined in the Bond Indenture), $100,000 and integral multiples of $5,000 in excess thereof, and (ii) during a Multiple Year Rate Period (as defined in the Bond Indenture) or a Fixed Rate Period, including the Initial Rate Periods commencing on the Closing Date, $5,000 and integral multiples thereof.

"Balloon Debt" means indebtedness, whether or not constituting Long-Term Debt, 25% or more of the original principal amount of which matures during any consecutive twelve-month period if such maturing principal is not required to be amortized by mandatory redemption or

prepayment prior to such period, including, without limiting the foregoing, indebtedness arising from borrowings under lines of credit from banks or other financial institutions. Balloon Debt does not include any Commitment Debt.

"Bolingbrook" means Adventist Bolingbrook Hospital, an Illinois not-for-profit corporation, and its successors and assigns.

"Bolingbrook Facilities" means the land, buildings and equipment used in the operation of the general acute care hospital and related facilities owned and operated by Bolingbrook and located in Bolingbrook, Illinois.

"Bond," "Bonds" or *"Series 2009C Bonds"* means the $330,390,000 in aggregate principal amount of Kansas Development Finance Authority Hospital Revenue Bonds, Series 2009C (Adventist Health System/Sunbelt Obligated Group).

"Bond Counsel" means any firm of nationally recognized municipal bond counsel designated by the Authority and acceptable to the Obligated Group and the Bond Trustee.

"Bondholder" or *"holder"* means the registered owner of any fully registered Series 2009C Bond as shown on the Bond Register.

"Bond Indenture" means the Trust Indenture dated as of July 1, 2009 between the Authority and the Bond Trustee, pursuant to which the Series 2009C Bonds will be issued.

"Bond Insurer" means, for purposes of the Master Indenture, any insurance company, or association of insurance companies, bank or other financial institution, insuring, or providing credit support for, the payment of all or a portion of the principal of or interest on any Related Bonds.

"Bond Purchase Agreement" means the Bond Purchase Agreement between the Authority and the Underwriters, and approved by the Obligated Group, providing for the sale of the Series 2009C Bonds.

"Bond Register" means the registration books of the Authority kept by the Bond Trustee to evidence the registration and transfer of the Series 2009C Bonds.

"Bond Registrar" means the Bond Trustee, as keeper of the Bond Register.

"Bond Sinking Fund" means the fund by that name created by the Bond Indenture to provide for payment of the principal of the Series 2009C Bonds.

"Bond Trustee" means the bank or trust company serving as trustee under the Bond Indenture.

"Bond Trustee's Agent" means any agent designated by the Bond Trustee pursuant to the provisions of the Bond Indenture and at the time serving in that capacity.

"Book Value," when used in connection with Property, means the value of such Property, net of accumulated depreciation and amortization, determined in accordance with generally accepted accounting principles from time to time in effect.

"Borrower Bond" means any Bond (a) registered in the name of, or the beneficial ownership of which is, or which the Bond Trustee actually knows is owned or held by, any Borrower or any Affiliate of any Borrower or any Insider, or owned or held by the Bond Trustee or an agent of the Bond Trustee for the account of any Borrower, any Affiliate of any Borrower or any Insider or (b) with respect to which any Borrower, any Affiliate of any Borrower or any Insider has notified the Bond Trustee, or which the Bond Trustee actually knows, were purchased by another Person for the account of any Borrower, any Affiliate of any Borrower or Insider by any Person, directly or indirectly controlling or controlled by or under the direct or indirect common control with any Borrower, any Affiliate of any Borrower or any Insider.

"Borrowers" means, collectively, Bolingbrook, GlenOaks, AHS/Georgia, Sunbelt, Hinsdale, Fletcher, Waterman, MHS, Flagler, Memorial, West Volusia, PorterCare, Shawnee Mission and SVHC.

"Business Day" means any day except Saturday, Sunday or any day on which banking institutions located in the States of New York, Florida or Minnesota are required or authorized to close or on which the New York Stock Exchange is closed.

"Capital Appreciation Debt" means Long-Term Debt (a) the interest on which is payable only at the maturity thereof, upon the redemption thereof prior to maturity or upon any conversion thereof to Long-Term Debt bearing interest prior to the maturity thereof or prior to the redemption thereof prior to such maturity and (b) issued, in the case of Additional Notes, pursuant to a Related Supplemental Indenture specifying for the period occurring prior to any such conversion, the Valuation Dates thereof and the Accreted Values thereof on each such Valuation Date. Capital Appreciation Debt does not include any Long-Term Debt issued originally as Capital Appreciation Debt and later converted to Long-Term Debt bearing interest prior to the maturity thereof or prior to the redemption thereof prior to such maturity.

"Change Date" means, with respect to Multi-Mode Bonds, a date determined in accordance with the Bond Indenture on which some or all of the Multi-Mode Bonds are changed to ARS Rate Bonds.

"Chippewa" means Chippewa Valley Hospital & Oakview Care Center, Inc., a Wisconsin not-for-profit corporation, and its successors and assigns.

"Class A Covenants" means the covenants of the Obligated Group in the Master Indenture for the benefit of both the holders of the Class A Notes and the holders of the Class B Notes.

"Class A Notes" means any Additional Notes designated as Class A Notes by the Related Supplemental Indenture creating such Additional Notes with the effect specified in the Master Indenture.

"Class B Covenants" means the covenants of the Obligated Group in the Master Indenture for the benefit of the holders of the Class B Notes but not for the benefit of the holders of the Class A Notes.

"Class B Notes" means all Original Notes and any Additional Notes designated as Class B Notes by the Related Supplemental Indenture creating such Additional Notes with the effect specified in the Master Indenture.

"Closing Date" means the date of the original authentication and delivery of the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations proposed or promulgated thereunder or under the Internal Revenue Code of 1954, as amended, if appropriate, as published in the Federal Register.

"Combined," when used as part of a defined term, means such term as determined on a combined basis for the Obligated Group as though such combination were required by generally accepted accounting principles at the time in effect, regardless of whether such combination is in fact so required. Any such determination shall be made on the basis of either the most recently available audited combined financial statements of the Obligated Group, if such exist, or the most recently available audited financial statements of each Member.

"Commercial Paper Debt" means indebtedness for borrowed money issued for any purpose in connection with a program of commercial paper, as such term is generally understood, maturing not later than 270 days from the date of issuance thereof. Commercial Paper Debt also constitutes Interim Debt.

"Commitment Debt" means the obligation of any Member or of the Obligated Group to repay amounts disbursed pursuant to a commitment from a financial institution to refinance or purchase when due, when tendered or when required to be purchased (a) other indebtedness of such Member or of the Obligated Group or (b) indebtedness of a Person who is not a Member, which indebtedness is guaranteed by a guaranty of such Member or of the Obligated Group, in either case which indebtedness or guaranty of such Member or of the Obligated Group was incurred in accordance with the provisions of the Master Indenture, and the obligation of any Member or of the Obligated Group to pay interest payable on amounts disbursed for such purposes, plus any fees or expenses payable to such financial institution for, under or in connection with such commitment, in the event of disbursement pursuant to such commitment or in connection with the enforcement thereof, including, without limitation, any penalties payable in the event of such enforcement.

"Completion Debt" means any Long-Term Debt incurred for the purpose of financing the completion of the acquisition, construction, remodeling, renovation or equipping of a Hospital Facility with respect to which Long-Term Debt for borrowed money has been previously incurred by any Member or the Obligated Group in accordance with the provisions of the Master Indenture, including any amounts needed for capitalized interest or reserve funds or to pay the cost and expenses of issuing such completion indebtedness.

"Conversion Date" means, with respect to Multi-Mode Bonds, each Fixed to Variable Rate Conversion Date and each Variable to Fixed Rate Conversion Date, as the context may require.

"Covered Debt" means Balloon Debt, Capital Appreciation Debt, Commitment Debt, Completion Debt, Guaranteed Debt, other guarantees of Long-Term Debt permitted by the Master Indenture, Interim Debt, Letter of Credit Debt, other Long-Term Debt, Put Debt, Refunding Debt, Revolving Credit Debt and Variable Rate Debt, but does not include Subordinated Debt, Liquidity Debt or indebtedness of one Member to another Member.

"Credit Facility" means any bond insurance policy, surety bond, letter of credit, line of credit, bond purchase agreement or similar facility providing security for the payment of principal of and interest on the Bonds.

"Cross-Over Date" means, with respect to any Cross-Over Debt, the date on which the proceeds thereof must, by the terms of the instrument creating the same, be applied to (i) refund either the indebtedness in respect of which such Cross-Over Debt was issued or such Cross-Over Debt itself or (ii) refund only the indebtedness in respect of which such Cross-Over Debt was issued.

"Cross-Over Debt" means indebtedness for borrowed money which is incurred to refund other indebtedness for borrowed money on the Cross-Over Date specified therefor and which is, at all times during the Cross-Over Period specified therefor, fully secured as to all interest and principal payable thereon during such Cross-Over Period by Government Securities purchased from the proceeds thereof, the income from such Government Securities and any cash from such proceeds held as security therefor.

"Cross-Over Period" means, with respect to any Cross-Over Debt, the period of time beginning on the date of issuance of such Cross-Over Debt and ending on the Cross-Over Date specified therefor.

"Debt Service Reserve Fund" means the fund by that name created by the Bond Indenture. **No amounts will be deposited in the Debt Service Reserve Fund on the Closing Date.**

"Debt Service Reserve Fund Requirement" means the amount, if any, specified to the Bond Trustee at any time by the President or any Vice President of Sunbelt, or by any other officer of Sunbelt designated in writing to the Bond Trustee, as the amount being deposited by Sunbelt into the Debt Service Reserve Fund as additional security for the Bonds.

"DTC" means The Depository Trust Company, New York, New York, and any successor corporation.

"Eligible Moneys" means: (a) Bond proceeds deposited with the Bond Trustee contemporaneously with the issuance and sale of the Bonds and which were continuously thereafter held subject to the lien of the Bond Indenture in a separate and segregated fund,

account or subaccount established under the Bond Indenture in which no moneys which were not Eligible Moneys were at any time held, together with investment earnings on such Bond proceeds; (b) with respect to Bonds entitled to the benefit of a Credit Facility that is a direct-pay letter of credit, moneys received by the Bond Trustee from any draw on such Credit Facility, together with investment earnings on such moneys; (c) proceeds from the remarketing of any Bonds pursuant to the provisions of the Bond Indenture to any Person other than any Borrower, the Authority or any Insider; (d) moneys which are derived from any other source, together with the investment earnings on such moneys, if the Bond Trustee has received an unqualified opinion of nationally recognized bankruptcy counsel acceptable to the Bond Trustee and to each Rating Agency (other than S&P) then maintaining a rating on the Bonds entitled to the benefit of a Credit Facility (which opinion may assume that no Bondholders are Insiders) to the effect that payment of such amounts to Bondholders would not be avoidable as preferential payments under Section 547 of the United States Bankruptcy Code recoverable under Section 550 of the United States Bankruptcy Code should the Authority or any Borrower become a debtor in a proceeding commenced thereunder; and (e) with respect to Bonds not entitled to the benefit of a Credit Facility that is a direct-pay letter of credit, any moneys, unless such Bonds are entitled to the benefit of a bond insurance policy and such moneys are to be used to redeem Bonds pursuant to the provisions of the Bond Indenture; provided that such proceeds, moneys or income shall not be deemed to be Eligible Moneys or available for payment of the Bonds if, among other things, an injunction, restraining order or stay is in effect preventing such proceeds, moneys or income from being applied to make such payment. For the purposes of this definition, the term "moneys" shall include cash and, except in connection with the payment of the Tender Price of Mandatorily Tendered Multi-Mode Bonds or Optionally Tendered Multi-Mode Bonds, any investment securities including, without limitation, Government Securities.

"Escrowed Securities" means (i) Government Securities which, if being utilized in connection with the defeasance of Bonds that are secured by a Credit Facility, must be Government Securities of the type described in clause (a) of the definition thereof, and (ii) Pre-Refunded Municipal Obligations.

"Event of Default" has the meaning for such term set forth below under the headings (i) "THE NOTES AND THE MASTER INDENTURE—Defaults and Remedies" and (ii) "THE BOND INDENTURE—Defaults and Remedies."

"Facilities" means, collectively, the Bolingbrook Facilities, the GlenOaks Facilities, the AHS/Georgia Facilities, the Sunbelt Facilities, the Hinsdale Facilities, the Fletcher Facilities, the Waterman Facilities, the MHS Facilities, the Flagler Facilities, the Memorial Facilities, the West Volusia Facilities, the PorterCare Facilities, the Shawnee Mission Facilities and the SVHC Facilities and, where the context requires, also means the land, buildings and equipment now or hereafter used in the operation of any other general acute-care hospital owned by any corporation included in the Obligated Group.

"Fitch" means Fitch, Inc., a Delaware corporation, and its successors and assigns.

"Fixed Interest Rate" means the interest rate to be borne by a Multi-Mode Bond during a Fixed Rate Period, but which shall not exceed the Maximum Rate in any event. Upon their initial issuance, the Bonds will all bear Fixed Interest Rates.

"Fixed Rate Period" means, with respect to any Bond, the period of time commencing on the first day on which such Bond begins to bear interest at a Fixed Interest Rate (which is the Closing Date for the Initial Rate Periods commencing on the Closing Date) to and including the earliest of (i) the maturity date of such Bond, (ii) a Fixed to Variable Rate Conversion Date for such Bond and (iii) a Change Date for such Bond. *"Fixed to Variable Rate Conversion Date"* means each date on which a Multi-Mode Bond bearing interest at a Fixed Interest Rate begins to bear interest at a Variable Rate.

"Flagler" means Memorial Hospital-Flagler, Inc., a Florida not-for-profit corporation, and its successors and assigns.

"Flagler Facilities" means the land, buildings and equipment used in the operation of the general acute care hospital and related facilities owned and operated by Flagler and located in unincorporated Flagler County, Florida.

"Fletcher" means Fletcher Hospital, Incorporated, a North Carolina not-for-profit corporation, and its successors and assigns.

"Fletcher Facilities" means the land, buildings and equipment used in the operation of the general acute care hospital and related facilities owned and operated by Fletcher and located in Fletcher, North Carolina.

"Florida Hospital" means the Hospital Facilities of Sunbelt comprising Florida Hospital/Orlando, Florida Hospital/East Orlando, Florida Hospital/Altamonte Springs, Florida Hospital/Apopka and Florida Hospital/Kissimmee and all other Property accounted for on the financial statements of Sunbelt as belonging, allocated or attributable to such Hospital Facilities, all as determined on a consistent basis in accordance with the financial reporting practices of Sunbelt and, to the extent applicable, in accordance with generally accepted accounting principles.

"FSA" means Financial Security Assurance of Maryland, Inc., formerly known as Capital Guaranty Insurance Company, a Maryland monoline insurance company, and its successors and assigns.

"Funds" means, collectively, the Bond Sinking Fund, the Debt Service Reserve Fund, the Project Fund, the Interest Fund, the Redemption Fund, the Purchase Funds and the Revenue Fund.

"GlenOaks" means Adventist GlenOaks Hospital, an Illinois not-for-profit corporation, and its successors and assigns.

"GlenOaks Facilities" means the land, buildings and equipment used in the operation of the general acute care hospital and related facilities owned and operated by GlenOaks and located in Glendale Heights, Illinois.

"Governing Body" means, for purposes of the Master Indenture, with respect to any Member of the Obligated Group, the membership of such Member or the board of directors, board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested.

"Government Securities" means (a) direct obligations of the United States of America and obligations on which the timely payment of principal and interest is fully guaranteed by the United States of America and (b) certificates evidencing a direct ownership interest in such obligations or in future interest or principal payments thereon held in a custody account by a custodian satisfactory to the Bond Trustee or the Master Trustee, as applicable.

"Gross Revenues" means all revenues of each Member from all sources to the extent the same may be legally assigned as security for the payment of the Notes and the performance of all covenants contained in the Master Indenture.

"Group Representative" means Sunbelt or any other Member designated to the Master Trustee by a Written Request signed by all Members.

"Guaranteed Debt" means guaranties of the obligation of any Person (other than a Person which is a Member of the Obligated Group) (a) consisting of Long-Term Debt and (b) not payable prior to maturity by reason of the acceleration of the principal amount thereof except for the failure of the guarantor to make regularly scheduled payments of principal and interest under its guaranty.

"Health Care" means Adventist Health System Sunbelt Healthcare Corporation, a Florida not-for-profit corporation, and its successors and assigns.

"Hedging Transaction" means an agreement, expressly identified in an Officer's Certificate delivered to the Master Trustee as being entered into in order to hedge the interest payable on all or a portion of any indebtedness for borrowed money of any Member or of the Obligated Group, which agreement may include, without limitation, an interest rate swap, a forward or futures contract or an option (*e.g.*, a call, put, cap, floor or collar) and which agreement does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof.

"Hinsdale" means Adventist Hinsdale Hospital, an Illinois not-for-profit corporation, and its successors and assigns.

"Hinsdale Facilities" means the land, buildings and equipment used in the operation of the general acute care hospital and related facilities owned and operated by Hinsdale and located in Hinsdale, Illinois.

"Hospital Facility" or *"Health Care Facility"* means all buildings, land and equipment used in the operation or direct administration of one or more of the general acute care hospitals now or hereafter owned and operated by each Member, whether or not located on the same site and whether or not also used for other purposes but does not include (i) office buildings used by physicians for the practice of their profession or (ii) ambulatory care centers, emergency care centers, surgical care centers, outpatient radiology centers, outpatient laboratories or other outpatient care centers not physically connected to a general acute care hospital.

"Immediate Notice" means notice by telephone, telex or telecopier to such 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 telephone, telex or telecopier number 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, without limitation, may include legal counsel for either the Authority or any Borrower.

"Independent Insurance Consultant" means a firm none of whose officers, directors, or employees is an officer, director or employee of any Member or an employee or elected official of any governmental issuer which has issued a series of Related Bonds, appointed by the Group Representative, qualified to survey risks and to recommend insurance coverage for hospital facilities and services and organizations engaged in like operations and having a favorable reputation for skill and experience in such surveys and such recommendations, and who may be a broker or agent with whom any Member transacts business. The term "Independent Insurance Consultant" includes General Conference of Seventh-day Adventists Risk Management Services, Inc.

"Initial Rate Period" means, with respect to any Bond, as the context may require, (a) the period of time commencing on the Closing Date to and including the earliest of (i) the maturity date of such Bond, (ii) a Fixed to Variable Rate Conversion Date for such Bond and (iii) a Change Date for such Bond and (b) the initial Rate Period for Multi-Mode Bonds being converted from a Fixed Interest Rate to a Variable Rate pursuant to the provisions of the Bond Indenture.

"Insider" means any (i) director of any corporation which is a Borrower or which is included in the Obligated Group, (ii) officer of any such corporation, (iii) person in control of any such corporation, (iv) partnership in which any such corporation is a general partner, (v) general partner of any such corporation, or (vi) relative of a general partner, director, officer or person in control of any such corporation. This definition shall be interpreted to correspond with the definition of *"Insider"* as it appears in 11 United States Code, Section 101(31) as the same may, from time to time, be amended, interpreted, or renumbered.

"Interest Fund" means the fund by that name created by the Bond Indenture to provide for the payment of interest on the Series 2009C Bonds.

"Interest Payment Date" means, for a Bond while operating in the initial Fixed Rate Period commencing on the Closing Date, (i) each May 15 and November 15 and the first day of the next Rate Period, if any, provided that (a) the first Interest Payment Date for the Bonds after the Closing Date shall be November 15, 2009, and (b) at the option of the Obligated Group by notice to the Bond Trustee, the first May 15 or November 15 after a Variable to Fixed Rate Conversion Date need not be an Interest Payment Date; (ii) each Mandatory Tender Date therefor; and (iii) the maturity date or any earlier redemption date with respect thereto.

"Interim Debt" means indebtedness for borrowed money or which has been incurred in connection with the acquisition of assets (other than trade accounts payable), whether or not constituting Long-Term Debt. Interim Debt also includes Commercial Paper Debt.

"Jellico" means Jellico Community Hospital, Inc., a Tennessee nonprofit corporation, and its successors and assigns.

"Letter of Credit Debt" means indebtedness, whether or not constituting Long-Term Debt, secured either (a) by an irrevocable letter of credit or line of credit issued by a bank or trust company organized under the laws of the United States of America or any state thereof or organized under the laws of any foreign country or (b) by an insurance policy or a surety bond issued by an insurance company or an association of insurance companies organized under the laws of the United States of America or any state thereof or organized under the laws of any foreign country.

"Liquidity Debt" means indebtedness for borrowed money, whether or not constituting Long-Term Debt, that (i) may be redeemed at the option of the obligor thereon in whole or in part on any date at a price equal to not more than 105% of the principal amount thereof upon not more than 180 days' notice and (ii) is incurred in accordance with the provisions of the Master Indenture summarized below in paragraph Q under the heading "THE NOTES AND THE MASTER INDENTURE—Permitted Indebtedness."

"Liquidity Facility" means a bond insurance policy, surety bond, letter of credit, line of credit, bond purchase agreement or similar facility providing liquidity for the payment of the Tender Price of Mandatorily Tendered Multi-Mode Bonds and Optionally Tendered Multi-Mode Bonds. The obligations of the Borrowers and the Obligated Group under the Loan Agreements and the Series 2009C Supplemental Indenture, respectively, to pay the Tender Price of Bonds required to be purchased pursuant to the Bond Indenture do not constitute a Liquidity Facility.

"Liquidity Investments" means debt obligations of any domestic or foreign institution that are (1) maintained in a segregated account of a Member or of the Obligated Group, (2) rated in one of the two highest rating categories assigned by Standard & Poor's Ratings Group and (3) either (i) are subject to repurchase at the option of the holder thereof at a price equal to 100% of the principal amount thereof upon not more than 180 days' notice or (ii), together with all other such Liquidity Investments not included within clause (i), have a weighted average maturity of not more than two years.

"Liquidity Support" means the liquidity for the payment of the Tender Price of Mandatorily Tendered Multi-Mode Bonds and Optionally Tendered Multi-Mode Bonds provided by a Liquidity Facility.

"Loan Agreements" means, collectively, the Loan Agreements dated as of July 1, 2009 between the Authority and the respective Borrowers.

"Long-Term Debt" means (a) all indebtedness for borrowed money, including indebtedness incurred for refinancing purposes, or which has been incurred in connection with the acquisition of assets (other than trade accounts payable and accrued employee compensation), and (b) the capitalized value of the liability under any lease of real or personal property which is properly capitalized on a balance sheet, in each case having a final maturity of more than one year from the date of creation thereof (or which is or may be renewable or extendible at the option of the obligor for a period or periods extending more than one year from the date of creation), but excluding, in each case, any portion thereof which is or may be properly included in current liabilities, all as determined in accordance with generally accepted accounting principles from time to time in effect.

"Management Consultant" means a firm selected by the Group Representative and qualified to pass upon questions relating to the financial affairs, condition and operations of legal entities similar to the Members and having a favorable and nationally recognized reputation for skill and experience in the analysis of such financial affairs.

"Mandatorily Tendered Multi-Mode Bonds" means the Multi-Mode Bonds required to be tendered for purchase on any Mandatory Tender Date.

"Mandatory Tender Date" means any date on which the Bonds are subject to mandatory tender for purchase thereof pursuant to the provisions of the Bond Indenture.

"Master Indenture" means the Amended and Restated Master Trust Indenture dated as of May 1, 1995 among the Members of the Obligated Group and the Master Trustee, as heretofore supplemented by the Original Supplemental Indentures and as from time to time further amended and supplemented.

"Master Trustee" means U.S. Bank National Association, a national banking association (as successor trustee to SunTrust Bank), as trustee under the Master Indenture, and its successors and assigns.

"Maturity Date," with respect to any Bond, means the final maturity date therefor specified therein.

"Maximum Annual Debt Service Requirement" means, at any given time of determination and with respect to any indebtedness, the maximum amount of principal and interest coming due thereon in any succeeding fiscal year; provided, however, that:

(a) in the case of any indebtedness for which a sinking fund has been established, the principal due thereon shall be deemed to mature in each year in which a payment is required to be made into such sinking fund in the amount of such payment;

(b) payments on indebtedness which has been advance refunded are to be excluded as are payments on indebtedness which are to be made from funds escrowed or deposited with a third party, including, without limitation, payments on any Cross-Over Debt during the Cross-Over Period therefor, and any reserve for debt service established with a third party for any indebtedness is to be deemed escrowed for the purpose of paying the installments of principal of such indebtedness in the inverse order of their maturity; provided that the escrow for any such indebtedness shall be established with a bank or trust company having a combined capital and surplus of at least $75,000,000;

(c) in the event any Balloon Debt, Capital Appreciation Debt, Completion Debt, Interim Debt, Letter of Credit Debt, Put Debt, Revolving Credit Debt or Variable Rate Debt permitted by the Master Indenture is incurred, any computation of the Maximum Annual Debt Service Requirement therefor must exclude such Balloon Debt, Capital Appreciation Debt, Completion Debt, Interim Debt, Letter of Credit Debt, Put Debt, Revolving Credit Debt or Variable Rate Debt, as the case may be, and must instead include the Projected Long-Term Debt included in the certificate or report delivered as a condition precedent to the issuance of such Balloon Debt, Capital Appreciation Debt, Completion Debt, Interim Debt, Letter of Credit Debt, Put Debt, Revolving Credit Debt or Variable Rate Debt;

(d) in the event any Guaranteed Debt permitted by the Master Indenture is issued or any other guaranty of Long-Term Debt permitted by the Master Indenture is made or given, (1) no amount is to be included with respect thereto in the Maximum Annual Debt Service Requirement in any year in which the Combined Net Income Available for Debt Service of the Obligated Group for the most recent preceding fiscal year for which audited income statements are available is not less than 200% of the Combined Maximum Annual Debt Service Requirement for all Combined Covered Debt Outstanding at the end of such fiscal year and (2) where such historical coverage is less than 200% in any such preceding fiscal year, the Maximum Annual Debt Service Requirement for such Guaranteed Debt or other guaranty is to be an amount equal to 20% of the maximum amount of principal and interest coming due on the obligation guaranteed in any succeeding fiscal year of the Obligated Group, provided that, if in any year the guarantor of such Guaranteed Debt or other guaranty is making payment thereon, such Requirement must be an amount equal to 100% of such maximum amount;

(e) there must be excluded from any computation of the Maximum Annual Debt Service Requirement any amounts payable by any individual Member or by the Obligated Group with respect to Commitment Debt until such time as funding occurs under the commitment which gave rise to such Commitment Debt, and thereupon the amount of such debt service must be calculated in accordance with the actual amount required to be repaid on such Commitment Debt and the actual interest rate and amortization schedule applicable thereto; and

(f) in the event any individual Member or the Obligated Group enters into a Hedging Transaction in connection with the incurrence of any Long-Term Debt, the computation of the maximum annual principal and interest for such Long-Term Debt may, at the option of the Obligated Group, include payments made and received by such Member or the Obligated Group or to be made and received by such Member or the Obligated Group under the related Hedging Transaction, provided that at the time such option is initially exercised the Obligated Group delivers to the Master Trustee an Officer's Certificate of the Obligated Group to the effect that (x) the institution which is a party to such Hedging Transaction (the "Counterparty") is obligated under such Hedging Transaction to make payments thereunder for the period for which the computation of the maximum annual principal and interest on such Long-Term Debt is being determined and (y) as of the date such Member or the Obligated Group and the Counterparty entered into such Hedging Transaction, the long-term debt obligations of the Counterparty or of any guarantor of the Counterparty's obligations under such Hedging Transaction were rated "A" or better by both Standard & Poor's and Moody's.

"Maximum Rate" means, with respect to any Multi-Mode Bond in an initial Fixed Rate Period, 25% per annum.

"MBIA" means MBIA Insurance Corporation, a New York stock insurance corporation, and its successors and assigns.

"Member" means, individually, Bolingbrook, GlenOaks, AHS/Georgia, Sunbelt, Hinsdale, Chippewa, Fletcher, Waterman, Zephyrhills, Jellico, MHS, Flagler, Memorial, West Volusia, PorterCare, Shawnee Mission or SVHC, respectively, and also any other Person admitted to the Obligated Group pursuant to the Master Indenture, but does not mean any Person which has withdrawn as a Member of the Obligated Group pursuant to the Master Indenture.

"Memorial" means Memorial Hospital, Inc., a Kentucky not-for-profit corporation, and its successors and assigns.

"Memorial Facilities" means the land, buildings and equipment used in the operation of the general acute care hospital owned by Memorial and located in Manchester, Kentucky.

"MHS" means Memorial Health Systems, Inc., a Florida not-for-profit corporation, and its successors and assigns.

"MHS Facilities" means the land, buildings and equipment used in the operation of the general acute care hospital owned by MHS and located in Daytona Beach and Ormond Beach, Florida.

"Moody's" means Moody's Investors Service, a Delaware corporation, and its successors and assigns.

"Multi-Mode Bonds" means Bonds in a Flexible, Daily, Weekly, One Month, Six Month, One Year, Multiple Year or Fixed Rate Period, bearing interest at the Multi-Mode Rate (all as defined in the Bond Indenture). ARS Rate Bonds are not Multi-Mode Bonds.

"Multi-Mode Bonds Purchase Fund" means the fund by that name created by the Bond Indenture.

"Net Income Available for Debt Service" means, with respect to any Person and as of any date of determination thereof, the Adjusted Annual Revenue of such Person for a given fiscal year, minus its total expenses for such fiscal year (other than interest, depreciation and amortization), plus the amount of any interest paid or to be paid during such fiscal year from borrowed funds capitalized therefor, to the extent such interest is treated as an expense in such fiscal year, but excluding (a) any profits or losses which would be regarded as extraordinary items under generally accepted accounting principles from time to time in effect, (b) gain or loss from the sale of fixed assets not in the ordinary course of business, (c) gain or loss on the extinguishment of indebtedness, (d) proceeds of insurance policies, other than policies for use and occupancy or business interruption insurance and (e) income from the investment of the proceeds of any Cross-Over Debt during the Cross-Over Period specified therefor, all as determined in accordance with generally accepted accounting principles from time to time in effect.

"Net Proceeds" means, when used with respect to any insurance or condemnation award, the gross proceeds from the insurance or condemnation award with respect to which that term is used less all expenses (including attorney's fees and adjuster's fees) incurred in the collection of such gross proceeds.

"Note" or *"Notes"* means any Original Note and any Additional Note, including the Series 2009C Notes.

"Obligated Group" means, collectively, Bolingbrook, GlenOaks, AHS/Georgia, Sunbelt, Hinsdale, Chippewa, Fletcher, Waterman, Zephyrhills, Jellico, MHS, Flagler, Memorial, West Volusia, PorterCare, Shawnee Mission and SVHC and also any other Person admitted as a Member of the Obligated Group pursuant to the Master Indenture, but shall not mean or include any Person which has withdrawn as a Member of the Obligated Group pursuant to the Master Indenture.

"Officer's Certificate" means, for purposes of the Master Indenture, a certificate signed, in the case of a certificate delivered on behalf of any corporation, by the President or any Vice President of such corporation or any other person duly authorized by such corporation or, in the case of a certificate delivered on behalf of any other Person, the chief executive officer or chief financial officer of such other Person. In the case of an Officer's Certificate of the Obligated Group, such Officer's Certificate may be executed and delivered on behalf of the Obligated Group by the President, any Vice President, the Chief Financial Officer or the Treasurer of the Group Representative.

"Official Statement" means the Official Statement of the Obligated Group prepared in connection with the initial issuance and sale of the Bonds.

"Opinion of Counsel" means an opinion in writing signed by legal counsel, who may be an employee of or counsel to any Member of the Obligated Group or who may be Bond Counsel.

"Optionally Tendered Multi-Mode Bonds" means any Multi-Mode Bonds tendered or deemed to be tendered for purchase pursuant to the provisions of the Bond Indenture.

"Original Bond Insurers" means AMBAC, FSA, MBIA, and SunTrust Bank and any other financial institution providing credit support for a series of Related Bonds, but does not include any of the foregoing who is no longer providing such credit support.

"Original Master Indenture" means the Master Trust Indenture dated as of October 1, 1983, as expressly amended by the Original Supplemental Indentures, between Sunbelt and The Bank of New York Trust Company of Florida, N.A. (as successor in interest to, or agent of, Barnett Banks Trust Company, N.A.).

"Original Notes" means the Notes of Sunbelt issued under the Original Master Indenture and the Original Supplemental Indentures. Original Notes are all deemed to be Class B Notes.

"Original Supplemental Indentures" means all supplemental indentures between Sunbelt and the Master Trustee executed and delivered pursuant to the Original Master Indenture, *i.e.*, prior to the date of the execution and delivery of the Master Indenture.

"Outstanding" means, in the case of indebtedness of a Person other than Notes, all such indebtedness of such Person which has been issued, except any such portion thereof cancelled after purchase or surrendered for cancellation or because of payment at or redemption prior to maturity, any such indebtedness in lieu of which other indebtedness has been duly issued and any such indebtedness which is no longer deemed outstanding under its terms and with respect to which such Person is no longer liable under the terms of such indebtedness.

"Outstanding Bonds" or *"Bonds outstanding"* means all Bonds which have been duly authenticated and delivered by the Bond Trustee under the Bond Indenture, except:

(a) Bonds cancelled or delivered to the Bond Trustee for cancellation after purchase in the open market or because of payment at, or redemption prior to, maturity;

(b) Bonds for the payment or redemption of which either cash funds or legally permissible Escrowed Securities not redeemable prior to maturity without the consent of the holders thereof shall have been theretofore deposited with the Bond Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Bond Trustee, shall have been filed with the Bond Trustee;

(c) Bonds in lieu of which other Bonds have been authenticated under the Bond Indenture;

(d) with respect to Multi-Mode Bonds, after any Mandatory Tender Date therefor, any Multi-Mode Bond which was required to be tendered on such Mandatory Tender Date in accordance with the provisions of the Bond Indenture and which was not tendered and for which funds are on deposit under the Bond Indenture to pay the Tender Price therefor; and

(e) for the purpose of all consents, approvals, waivers and notices required to be obtained or given under the Bond Indenture, Borrower Bonds (other than Pledged Bonds as defined in the Bond Indenture).

"Outstanding Notes" or *"Notes Outstanding"* means all Notes except:

(a) Notes cancelled after purchase thereof or because of payment at or prepayment or redemption prior to maturity;

(b) (1) Notes for the payment or redemption of which cash or Escrowed Securities shall have been theretofore deposited with the Master Trustee (whether upon or prior to the maturity or redemption date of any such Notes); provided that if such Notes are to be prepaid or redeemed prior to the maturity thereof, notice of such prepayment or redemption must have been given or irrevocable arrangements satisfactory to the Master Trustee must have been made therefor, or waiver of such notice satisfactory in form to the Master Trustee must have been filed with the Master Trustee and (2) Notes securing Related Bonds for the payment or redemption of which cash or Escrowed Securities must have been theretofore deposited with the Related Bond Trustee (whether upon or prior to the maturity or redemption date of any such Notes); provided that if such Notes are to be redeemed prior to the maturity thereof, notice of such redemption must have been given or arrangements satisfactory to the Related Bond Trustee must have been made therefor, or waiver of notice satisfactory in form to the Related Bond Trustee must have been filed with the Related Bond Trustee; and

(c) Notes in lieu of which others have been authenticated under the Master Indenture.

"Paying Agent" or *"paying agent"* means the bank or banks, if any, designated pursuant to the Bond Indenture to receive and disburse the principal of and interest on the Bonds.

"Permitted Encumbrances" means as of any particular time:

(a) liens for ad valorem taxes and special assessments not then delinquent or, if delinquent, being contested in accordance with the provisions of the Master Indenture;

(b) utility, access and other easements and rights of way, restrictions and exceptions that will not materially interfere with or impair the operations being conducted in connection with a Hospital Facility (or, if no operations are being conducted therein, the operations for which such Hospital Facility was designed or last modified);

(c) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to properties similar in character to a Hospital Facility and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held;

(d) leases entered into by any Member as lessor of portions of a Hospital Facility to be used as offices for physicians, other providers of health care and organizations affiliated with any Member;

(e) leases of various departments of a Hospital Facility such as food facilities, the emergency room, the laboratory, the radiology department, a gift shop, pharmacy and other similar departments;

(f) zoning laws and similar restrictions, not violated in any material respect, and liens arising in connection with worker's compensation, unemployment insurance, taxes, assessments, statutory obligations or liens, social security legislation, undetermined liens and charges incidental to construction, or other similar charges arising in the ordinary course of operation and not overdue or, if overdue, being contested in good faith and such other liens and charges at the time required by law as a condition precedent to the transaction of the health care activities of any Member or the exercise of any privileges or licenses necessary to any Member;

(g) purchase money security interests in equipment, all as defined in Article 9 of the Florida Uniform Commercial Code, whether now existing or hereafter created;

(h) security interests in the accounts of any Member, as defined in such Article 9, securing indebtedness of such Member, whether or not constituting Long-Term Debt, provided that at the time of creation of any such security interest and after giving effect thereto, the Combined principal amount of the accounts subject to all security interests created pursuant to this clause (h) shall not exceed 50% of Combined net accounts receivable, as shown on the most recently available audited financial statements of the Obligated Group;

(i) security interests covering the accounts of any Member, as defined in such Article 9, created in connection with any sale of such accounts permitted by the Master Indenture;

(j) liens or encumbrances securing indebtedness of a third party assumed by a Member in connection with the purchase or other acquisition of a Hospital Facility, whether by merger, consolidation or otherwise;

(k) liens on tangible Property, including Hospital Facilities, securing indebtedness of a Member, whether or not constituting Long-Term Debt, provided that at the time of creation of any such lien and after giving effect thereto, the Combined Book Value of all Property subject to liens created pursuant to this clause (k) shall not exceed 20% of the Combined Book Value of all property, plant and equipment, as shown in the most recently available audited financial statements of the Obligated Group;

(l) security interests in the revenue bonds of any governmental issuer issued for the benefit of any Member and acquired and pledged by such Member to secure obligations of such Member under a reimbursement agreement between such Member and a financial institution;

(m) liens, security interests, leases and other charges and encumbrances granted by one Member to another Member; and

(n) the security interest created by the Master Indenture.

Class B Covenant: Permitted Encumbrances. For purposes of the Class B Covenants, clause (k) of the foregoing definition of "Permitted Encumbrances" is to read as follows:

"(k) liens on tangible Property not constituting Hospital Facilities securing indebtedness of a Member, whether or not constituting Long-Term Debt, provided that at the time of creation of any such lien and after giving effect thereto, the Combined Book Value of all Property subject to liens created pursuant to this clause (k) shall not exceed 20% of the Combined Book Value of all property, plant and equipment, as shown in the most recently available audited financial statements of the Obligated Group;"

"Person" means an individual, a corporation, a partnership, an association, a limited liability company, a joint stock company, a joint venture, a trust, an unincorporated organization, or a government or any agency or political subdivision thereof or any other legal entity recognized under the laws of the United States of America, any state thereof or any foreign country.

"PorterCare" means PorterCare Adventist Health System, a Colorado nonprofit corporation, and its successors and assigns.

"PorterCare Facilities" means the land, buildings and equipment used in the operation of the general acute care hospitals and related facilities owned by PorterCare and located in Denver, Littleton, Louisville and Parker, Colorado.

"Pre-Refunded Municipal Obligations" means obligations of any state of the United States of America or of any municipal corporation or other public body organized under the laws of any such state which have been advance refunded through the deposit of non-callable Government Securities (a) irrevocably pledged to the payment of all principal of and interest on such obligations as the same becomes due, (b) in a principal amount sufficient, together with the interest to be earned thereon, to pay all such principal of and interest on such obligations as the same becomes due and (c) rated in the highest investment rating category by each Rating Agency then rating such obligations.

"Principal Payment Date" means any date on which the principal of the Bonds is required to be redeemed or paid.

"Project" means the acquisition, construction and equipping of certain Facilities and the capital improvements to and equipment for certain of the Facilities being financed with the proceeds of the Series 2009C Bonds.

"Project Fund" means the fund by that name created by the Bond Indenture into which an amount will be deposited at the time the Series 2009C Bonds are issued and used to pay the costs of the Project.

"Projected Long-Term Debt" means, as of the date of any determination thereof, Long-Term Debt maturing in substantially equal annual payments of principal and interest over a period of 25 years from the date of original issuance thereof at an average annual rate of interest equal to the then current rate of interest shown in the most recently published Revenue Bond Index. The interest on any Projected Long-Term Debt must be assumed to be exempt from federal income taxation unless the interest on the indebtedness in respect of which such Projected Long-Term Debt is being determined is intended to be subject thereto, in which event the interest on such Projected Long-Term Debt must be assumed to be subject thereto and then must also be assumed to be equal to the average annual rate of interest attributable to comparable debt securities, the interest on which is likewise subject to federal income taxation, issued by other not-for-profit corporations engaged in operating one or more health care facilities having a credit rating comparable to that of the Obligated Group, maturing over a comparable period in substantially equal annual payments of principal and interest and then being offered for sale, as shown by a certificate of an underwriting or investment banking firm experienced in marketing such securities.

"Property" means any and all right, title and interest of any Member in and to any and all property whether real or personal, tangible or intangible and wherever situated.

"Purchase Funds" means the Multi-Mode Bonds Purchase Fund and the ARS Rate Bonds Purchase Fund (as defined in the Bond Indenture).

"Put Date" means any date on which a holder of Put Debt may elect or is required to have such Put Debt paid, purchased or redeemed prior to its stated maturity date.

"Put Debt" means indebtedness for borrowed money, whether or not constituting Long-Term Debt, which is payable, or required to be purchased or redeemed, at the option of the holder thereof, prior to its stated maturity date.

"Record Date" means, with respect to any Bond in the Fixed Rate Period, the first day (whether or not a Business Day) of the calendar month in which an Interest Payment Date occurs; provided, however, that if a Variable to Fixed Rate Conversion Date for any Multi-Mode Bonds of a series occurs after May 1 but prior to May 15 or after November 1 but prior to November 15, the Record Date for such Bonds for the first Interest Payment Date succeeding

such Variable to Fixed Rate Conversion Date shall be such Variable to Fixed Rate Conversion Date.

"Qualified Investments" means, to the extent, permitted by law, the following obligations all of which must be United States dollar denominated:

> A. Government Securities and direct obligations of, or obligations unconditionally guaranteed as to full and timely payment of the principal and interest by, the United States of America (including any investments in pools of such obligations) or evidences of ownership or proportionate interests in future interest and principal payments on those obligations 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 on those obligations, and which underlying obligations are not available to satisfy any claim of the custodian or a person claiming through the custodian or to whom the custodian may be obligated;
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> B. Direct obligations of, or obligations guaranteed by, any agency or instrumentality of the United States of America, whether or not the full faith and credit of the United States of America is pledged to the full and timely payment of all interest and principal thereof;
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> C. Obligations of any state of the United States of America or of any municipal corporation or other public body organized under the laws of any state whose senior long-term debt is rated, at the time of purchase, in one of the three highest rating categories (without regard to gradations within such category) assigned by Moody's or Standard & Poor's or Fitch;
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> D. Pre-Refunded Municipal Obligations;
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> E. Shares of money market funds or common trust funds registered under the Investment Company Act of 1940, as amended, which shares are registered under the Securities Act of 1933, as amended; such fund must be managed by a nationally recognized investment advisor and be rated in one of the three highest rating categories (without regard to gradations within such category) assigned by Moody's or Standard & Poor's or Fitch;
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> F. Shares of fixed income (debt obligation) mutual funds registered under the Investment Company Act of 1940, as amended, which shares are registered under the Securities Act of 1933, as amended, and managed by a nationally recognized investment advisor and are rated in one of the three highest rating categories assigned by Standard & Poor's or Moody's or Fitch or, if not rated, the funds invest at least 80% of their proceeds in investment instruments listed in this definition;
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> G. Investment Agreements and Guaranteed Investment Contracts ("GIC") with any financial institution, the long-term debt, the claims paying ability or the financial program strength of which is rated in one of the three highest senior long-term

debt credit rating categories (without regard to gradations within such category) by Moody's or Standard & Poor's or Fitch. If the Investment Agreement or GIC is guaranteed by a third-party, then the above rating requirements will apply to the guarantor. In the event the rating of the provider of the investment agreement is downgraded to below the third highest rating category by any rating agency then the agreement must be collateralized as described in paragraph (H), or the provider must assign the agreement to an entity qualified under this paragraph (G), or obtain a guarantee from an entity whose ratings are not less than the ratings required under this paragraph (G);

H. Repurchase agreements ("Repos"), so long as the Repo provider and the terms of the Repo meet the following criteria:

(i) the Repo provider's senior long-term debt is rated in one of the three highest rating categories (without regard to gradations within such category) by Moody's or Standard & Poor's or Fitch; and

(ii) from inception to maturity, the Repo is collateralized by any one or a combination of Qualified Investments at a level of 102% of the face amount of the Repo;

I. Asset backed debt securities of any legal entity rated in the highest rating category by Moody's or Standard & Poor's or Fitch;

J. Debt securities of any legal entity rated in one of the three highest senior long-term debt rating categories or two highest short-term rating categories (without regard to gradations within such category) by Moody's or Standard & Poor's or Fitch;

K. Commercial paper which at the time of purchase is rated at least "A-2" by Standard & Poor's or "P-2" by Moody's or "F-2" by Fitch. No more than 10% of the amounts invested under the Bond Indenture may be invested in commercial paper having the ratings set forth above in this paragraph K. All other investments in commercial paper must be made in commercial paper having the highest short-term rating at the time of purchase.

L. Certificates of deposit issued by commercial banks, savings and loan associations or mutual savings banks rated in one of the two highest senior long-term debt credit ratings (without regard to gradations within such category) by Fitch, Moody's or Standard & Poor's;

M. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Corporation;

N. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "P1" or "A3" or better by Moody's, "A1" or "A" or better by S&P, or "F1" or "A" or better by Fitch; and

O. Forward Rate or Purchase Agreements with respect to obligations listed in paragraphs (A), (B), (C), (I), (J), (K), (L), (M) or (N) in which a financial institution has a continual obligation to deliver or purchase the obligations at an agreed upon price or yield. The financial institution must have senior long-term debt, claims paying ability or financial program strength ratings in one of the three highest rating categories (without regard to gradations within such category) by Moody's or Standard & Poor's or Fitch. If the financial institution's obligation is guaranteed by a third-party, then the above rating requirements will apply to the guarantor only. Any forward purchase agreement must be accompanied by a bankruptcy opinion that the securities delivered will not be considered a part of the bankruptcy estate in the event of a declaration of bankruptcy or insolvency by the provider.

"Rating Agency" means Moody's, Standard & Poor's or Fitch and their respective successors and assigns.

"Rebate Fund" means the Rebate Fund created by the Tax Exemption Agreement.

"Redemption Fund" or *"Optional Redemption Fund"* means the fund by that name created by the Bond Indenture to provide for the optional redemption of Series 2009C Bonds.

"Refunding Debt" means Long-Term Debt which is incurred for the purpose of refunding or advance refunding other indebtedness permitted by the Master Indenture.

"Registered Owner" or *"Registered Owner of the Bonds"* means the owner of any fully registered Series 2009C Bond as shown on the Bond Register.

"Related Bond Indenture" means any indenture pursuant to which a series of Related Bonds is issued.

"Related Bonds" means the revenue bonds issued by any state of the United States of America or any municipal corporation or other political subdivision formed under the laws thereof or any constituted authority of any of the foregoing empowered to issue obligations on behalf thereof pursuant to a single Related Bond Indenture, the proceeds of which are loaned or otherwise made available to the Obligated Group or to any individual Member in consideration of the execution, authentication and delivery of a Note or Notes to such governmental issuer or to the Related Bond Trustee under such Related Bond Indenture.

"Related Bond Trustee" means the trustee and its successors in the trusts created under any Related Bond Indenture.

"Related Loan Document" means an instrument between a governmental issuer and any Member whereby the Member agrees to make payments equal to the principal of and interest on Related Bonds, but does not include a Note.

"Related Supplemental Indenture" means an indenture supplemental to, and authorized and executed pursuant to the terms of, the Master Indenture for the purpose, *inter alia*, of creating a particular series of Notes and includes any Original Supplemental Indenture executed and delivered wholly or partially for such purpose.

"Reserve Fund Deposit" has the meaning set forth below under the caption "THE BOND INDENTURE--*Funds; Disposition of Revenues--3. Debt Service Reserve Fund*."

"Revenue Bond Index" means the weekly index of interest rates on revenue bonds known as the "25-Bond Revenue Index" published by *The Bond Buyer* or, if such index is no longer being published, any other index of interest rates borne by revenue bonds, the interest on which is exempt from federal income taxation, having a maturity of 30 years and approved by all Original Bond Insurers or, if there are no longer any Original Bond Insurers, by the Master Trustee.

"Revenue Fund" means the fund by that name created by the Bond Indenture into which all amounts payable by the Borrowers under the Loan Agreements and by the Obligated Group under the Notes evidencing the loans of the proceeds of the Series 2009C Bonds are initially deposited.

"Revolving Credit Debt" means Long-Term Debt for money borrowed under an agreement whereby for a fixed period of time a Person may borrow, repay and re-borrow sums not exceeding a specified principal amount at either a fixed or a variable rate of interest.

"Series 2009C Notes" means the Additional Notes of the Obligated Group issued pursuant to the Series 2009C Supplemental Indenture.

"Series 2009C Supplemental Indenture" means the Related Supplemental Indenture between the Obligated Group and the Master Trustee being executed and delivered concurrently with the issuance of the Series 2009C Bonds pursuant to which the Series 2009C Notes in the aggregate principal amount of $330,390,000 will be issued on such date in order to evidence the loans to the Borrowers of the proceeds of the Series 2009C Bonds.

"Shawnee Mission" means Shawnee Mission Medical Center, Inc., a Kansas not-for-profit corporation, and its successors and assigns.

"Shawnee Mission Facilities" means the land, buildings and equipment used in the operation of the general acute care hospital and related facilities owned and operated by Shawnee Mission and located in Merriam, Kansas.

"Short-Term Debt" means indebtedness for borrowed money having a final maturity of one year or less from the date of creation thereof and not redeemable or extendable at the option of the obligor for a period or periods extending more than one year from the date of creation, as determined in accordance with generally accepted accounting principles from time to time in effect.

"Standard & Poor's" or *"S&P"* means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a New York corporation, and its successors and assigns.

"Subordinated Debt" means, generally, indebtedness the principal of and interest on which may not be paid at any time when the Notes are in default or while bankruptcy, insolvency, receivership or other similar proceedings with respect to any Member are underway. The term "Subordinated Debt" is defined in full in the Master Indenture.

"Sunbelt" means Adventist Health System/Sunbelt, Inc., a Florida not-for-profit corporation, and its successors and assigns.

"Sunbelt Facilities" means the land, buildings and equipment used in the operation of the following general acute care hospitals owned by Sunbelt and located in the following cities and counties: Florida Hospital Heartland Division in Lake Placid, Sebring and Wauchula, Florida; Florida Hospital in Altamonte Springs, Apopka, Kissimmee and Orlando, Florida, and in unincorporated Osceola County, Florida; Winter Park Memorial Hospital in Winter Park, Florida; Florida Hospital Zephyrhills located in Zephyrhills, Florida; Adventist La Grange Memorial Hospital in La Grange, Illinois; Huguley Memorial Medical Center in Fort Worth, Texas; and Central Texas Medical Center in San Marcos, Texas.

"SunTrust Bank" means SunTrust Bank, a Georgia banking corporation, and its successors and assigns.

"Support Facility" means a Credit Facility and/or a Liquidity Facility.

"SVHC" means Southwest Volusia Healthcare Corporation, a Florida not-for-profit corporation, and its successors and assigns.

"SVHC Facilities" means the land, buildings and equipment used in the operation of the general acute care hospital known as Florida Hospital Fish Memorial owned by SVHC and located in Orange City, Florida.

"Tax Exemption Agreement" means the Tax Exemption Certificate and Agreement dated the Closing Date among the Authority, the Bond Trustee and the Borrowers, and all amendments and supplements thereto.

"Tender Agent" means, with respect to Multi-Mode Bonds, the corporation or banking entity designated to act as the Tender Agent pursuant to the terms of the Bond Indenture. The initial Tender Agent is the Bond Trustee, which may discharge its responsibilities through a Bond Trustee's Agent.

"Tender Price" means, with respect to the Bonds in the initial Fixed Rate Period, (a) 100% of the principal amount of any Multi-Mode Bond tendered or required to be tendered on a Mandatory Tender Date plus, (b) if tendered during a Fixed Rate Period at a time when a redemption premium would be payable if such Bonds were then being redeemed pursuant to the provisions of the Bond Indenture, an amount equal to such redemption premium.

"Unassigned Rights" means the rights of the Authority to indemnification and for its fees, expenses and other payments under each of the Loan Agreements and the rights of the Authority to receive notices and information under the Loan Agreements, to execute and deliver supplements and amendments to the Loan Agreements and to perform discretionary acts under the Loan Agreements.

"Underwriters" means the underwriters listed on the cover page of this Official Statement.

"Valuation Date" means, with respect to any Additional Note constituting Capital Appreciation Debt, the date or dates specified in the Related Supplemental Indenture creating such Additional Note on which specific Accreted Values are assigned to such Additional Note.

"Variable Rate" means a Multi-Mode Rate (as defined in the Bond Indenture) which is not a Fixed Interest Rate.

"Variable Rate Debt" means Long-Term Debt bearing interest at a rate that can vary, but does not include Letter of Credit Debt or Put Debt.

"Variable to Fixed Rate Conversion Date" means each date on which a Multi-Mode Bond bearing interest at a Variable Rate begins to bear interest at a Fixed Interest Rate.

"Waterman" means Florida Hospital Waterman, Inc., a Florida not-for-profit corporation, and its successors and assigns.

"Waterman Facilities" means the land, buildings and equipment used in the operation of the general acute care hospitals owned by Waterman and located in Tavares, Florida.

"West Volusia" means Memorial Hospital-West Volusia, Inc., a Florida not-for-profit corporation, and its successors and assigns.

"West Volusia Facilities" means the land, buildings and equipment used in the operation of the general acute care hospital and related facilities owned and operated by West Volusia and located in Deland, Florida.

"Written Request" means, (a) with respect to the Master Indenture, (i) with reference to a Member, a request in writing signed by the President or a Vice President of such Member or by any other duly authorized person designated by such Member and (ii) with reference to the Obligated Group, means a request in writing signed on behalf of the Obligated Group by the President, any Vice President, the Chief Financial Officer or the Treasurer of the Group Representative, and (b) with respect to the Bond Indenture, (i) with reference to the Authority a request in writing signed by the Chairman, Vice Chairman, President or Executive Vice President of the Authority and (ii) with reference to any Borrower or the Obligated Group, means a request in writing signed by the President or any Vice President of Sunbelt or any other officer of Sunbelt designated in writing to the Bond Trustee.

"Zephyrhills" means Florida Hospital Zephyrhills, Inc., a Florida not-for-profit corporation, and its successors and assigns.

SUMMARY OF PRINCIPAL INSTRUMENTS

The summaries of the Loan Agreements, the Notes, the Master Indenture and the Bond Indenture hereinafter set forth are not complete and reference is hereby made to each of such documents for a full statement of the terms and provisions thereof. Copies of such documents may be obtained from the Underwriters during the period that the Series 2009C Bonds are being offered and thereafter from the Bond Trustee upon request. The definitions of certain words and terms used in these summaries and in the instruments themselves are set forth above in this Appendix C under the caption "DEFINITIONS OF CERTAIN TERMS."

THE LOAN AGREEMENTS

The Borrowers will each enter into a separate Loan Agreement with the Authority, pursuant to which the Authority will lend a portion of the proceeds from the sale of the Series 2009C Bonds to the particular Borrower in return for a Note of the Obligated Group. Such Note will be issued to the Bond Trustee pursuant to the Master Indenture, will evidence the loan and the absolute and unconditional obligation of the Obligated Group to repay the same and will be issued in a principal amount equal to the principal amount of the Series 2009C Bonds corresponding to such loan. The Notes issued in connection with the issuance of the Series 2009C Bonds will provide for payments of principal thereof, premium, if any, and interest thereon sufficient to permit the Authority to make payments when due of the principal of, premium, if any, and interest on the Series 2009C Bonds. The proceeds of the loans will be paid to the Bond Trustee and applied as discussed hereinafter under the heading "THE BOND INDENTURE—Application of Series 2009C Bond Proceeds" and in the forepart of this Official Statement under the caption "ESTIMATED SOURCES AND USES OF FUNDS."

The Loan Agreements will be assigned by the Authority to the Bond Trustee pursuant to the Bond Indenture, and the Bond Trustee will have the right to enforce the covenants and obligations of the Borrowers contained in the Loan Agreements (except for the Unassigned Rights). The Obligated Group will make payments on each Note evidencing a loan of Series 2009C Bond proceeds directly to the Bond Trustee.

Possession of Facilities. Each Borrower is entitled to sole and exclusive possession of the Facility or Facilities owned, operated or managed by it. The Facilities do not constitute any part of the security for the Series 2009C Bonds, other than any interest in the Borrower's Property shared by all holders of the Obligated Group's Notes issued under the Master Indenture.

Absolute Obligations. Each Borrower agrees, on behalf of itself and the Obligated Group, that the respective obligations of each Borrower under its Loan Agreement and of the Obligated Group under the Series 2009C Supplemental Indenture to make all payments of (i) any and all amounts when due under each Loan Agreement, including amounts required to purchase Bonds pursuant to the provisions of each Loan Agreement, and (ii) any and all amounts, as and when the same become due, pursuant to the Tax Exemption Agreement shall be absolute, irrevocable and unconditional and shall not be subject to any defense (other than payment) or any right of set-off, counterclaim or recoupment arising out of any breach by the Authority, the Bond Trustee or the Master Trustee. Such obligations shall continue to be payable whether or not any of the Facilities, or any portion thereof, is destroyed or taken by an exercise of the power of eminent domain.

Arbitrage Covenants. Each Borrower covenants that so long as any of the Series 2009C Bonds remain outstanding, no use will be made of the moneys in the funds established under the Bond Indenture which would cause the Series 2009C Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code.

Use of the Facilities. Each Borrower will use its Facility or Facilities only in furtherance of the lawful corporate purposes of such Borrower and will not use its Facility or Facilities or any part thereof in a manner which is prohibited by (i) the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America and the decisions of the United States Supreme Court interpreting the same or (ii) any comparable provision of the Constitution of the State of Kansas and the decisions of the Supreme Court of the State of Kansas interpreting the same. The foregoing restrictions, however, shall not be construed to prevent each Borrower from (i) maintaining a chapel not financed with the proceeds of the Bonds for the use of patients, employees and visitors as part of the Facilities, (ii) conducting medical education programs on any subject with one or more institutions, whether or not sectarian, or seminars or meetings explaining the operating policies of such Borrower with regard to abortions or other medical or surgical services, or (iii) implementing pastoral care programs. In addition to the foregoing, nothing contained in any Loan Agreement shall be deemed to require any Borrower to perform any abortion, sterilization or any other medical or surgical operation or procedure, it being the intent of any Loan Agreement to reserve to such Borrower full discretion to formulate and implement its medical and surgical policies. The foregoing provisions shall not be construed as limiting in any fashion the Obligated Group's right to prepay the related Note in full pursuant to the Series 2009C Supplemental Indenture in the event such Borrower is required to carry on its operations contrary to its religious principles or in the event there exists a threat that it may be required to do so and such Borrower is redeeming the Bonds in whole.

Failure to Perform Covenants and Remedies. Upon failure of a Borrower to pay when due any payment (other than payments on the related Note and payment of the Tender Price of the Bonds) required to be made under the related Loan Agreement or under the Tax Exemption Agreement or to observe and perform any covenant, condition or agreement in such Loan Agreement or the Tax Exemption Agreement and, except with respect to any such default under the Tax Exemption Agreement, continuation of such failure for a period of 30 days after being notified in writing of such failure by the Authority or the Bond Trustee, then the Authority, or the Bond Trustee, as assignee of the Authority, may enforce its rights under such Loan Agreement including by a suit at law or in equity and the Bond Trustee shall have all the rights afforded to it as the holder of the Notes under the Master Indenture.

Series 2009C Bonds to Remain Tax Exempt. Each Borrower covenants under its Loan Agreement that so long as any of the Series 2009C Bonds are outstanding it will not take or omit to take or suffer any person under its control to take or omit to take any action if such action or omission would, under law in existence at the time of such action or omission and applicable to the Bonds, have an adverse effect upon the exemption from federal income taxation of the interest paid on the Series 2009C Bonds to the extent afforded under Section 103(a) of the Code, and each Borrower agrees that it will take no action or suffer any action to be taken by others which will alter, change or destroy its status as an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code (or any successor sections of a subsequent federal income tax statute or code).

Each Borrower acknowledges under its Loan Agreement that in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation for interest paid on the Series 2009C Bonds, the Authority is likely to be treated as a "taxpayer" in such examination, and each Borrower agrees that it will respond, and will direct the Authority to respond, to any inquiries from the Internal Revenue Service in connection with such an examination. The Authority covenants in each Loan Agreement that it will, to the extent legally permissible, cooperate with the related Borrower, at such Borrower's expense and at its direction, in connection with such examination, and such Borrower agrees to indemnify the Authority against any liability arising from such examination.

Maintenance of Trust Estate. The Borrowers covenant to cause any order, writ or warrant of attachment, garnishment, execution, replevin or similar process filed against any part of the funds or accounts held by the Bond Trustee under the Bond Indenture to be discharged, vacated, bonded or stayed within 90 days after such filing (which 90-day period shall be extended for so long as the related Borrower is contesting such process in good faith and such extension does not materially adversely affect the security for the Series 2009C Bonds), but, notwithstanding the foregoing, in any event not later than five days prior to any proposed execution or enforcement with respect to such filing or any transfer of moneys or investments pursuant to such filing.

Payments. Each Borrower agrees to pay to the Bond Trustee, on or before the third Business Day next preceding each Interest Payment Date, an amount equal to the interest to become due on such Interest Payment Date on the Bonds and, on or before the third Business Day next preceding each Principal Payment Date, an amount equal to the principal to become due on such Principal Payment Date on the Bonds. No such payment need be made, however, if and to the extent there are Eligible Moneys on deposit in the Interest Fund or the Bond Sinking Fund available to pay such interest on or principal of the Bonds. Each Borrower shall receive a credit against any required payment described in this caption to the extent the same payment is required to be made by any other Borrower under its respective Loan Agreement with the Authority and such other Borrower has made such payment.

Tender and Purchase of Bonds. Each Borrower agrees to purchase Bonds, or cause Bonds to be purchased, under the circumstances, in the manner and upon the terms specified in the Bond Indenture, including without limitation supplying funds to the Bond Trustee to pay the Tender Price of Bonds at the times and in the manner set forth in the Bond Indenture. Each

Borrower shall be deemed to have performed the foregoing covenant to the extent the same is performed by any other Borrower under its respective Loan Agreement with the Authority.

Exchange of Notes. Each Borrower may, upon satisfaction of the conditions therefor set forth in the Bond Indenture, substitute a new note issued under the Master Indenture for the applicable Note then held by the Bond Trustee under the Bond Indenture (the "Existing Note"), identical in all respects to the Existing Note except for designation under the Master Indenture as a "Class A" or "Class B" Note, on any Adjustment Date which is also a Mandatory Tender Date or on any Change Date.

THE NOTES AND THE MASTER INDENTURE

The Notes; Payment of the Notes. Each Note or series of Notes will be issued pursuant to the Master Indenture and will entitle each holder thereof to the protection of the covenants, restrictions and other obligations imposed upon the Obligated Group by the Master Indenture. The number of Notes or series of Notes that may be issued by the Obligated Group is not limited, and the Obligated Group may in the future issue additional Notes or series of Notes for the purposes of borrowing on a taxable or a tax-exempt basis, either by private sale or public offering, subject in all cases, however, to the restrictions on the incurrence of additional indebtedness contained in the Master Indenture as described below under the caption "Permitted Indebtedness."

Each Member of the Obligated Group agrees in the Master Indenture, jointly and severally, to be fully obligated to pay or cause to be paid the principal of, premium, if any, and interest on all Notes, including the Original Notes.

All Notes issued pursuant to the Master Indenture constitute full and unlimited obligations of the Obligated Group, but are not secured by any pledge or mortgage of, or security interest in, any Property of any Member of the Obligated Group, except for the security interest in the accounts (as defined in Article 9 of the Florida Uniform Commercial Code) and in the Gross Revenues, and all proceeds of such accounts and Gross Revenues, of each Member of the Obligated Group and except as may be subsequently required by the negative pledge covenant contained in the Master Indenture (see *"Permitted Liens"* below). Each Note or series of Notes issued in respect of an issue of Related Bonds will contain such provisions for prepayment as will permit prepayment or redemption prior to maturity of the Related Bonds in accordance with their terms.

The Master Indenture creates two classes of Notes to be known, respectively, as the "Class A Notes" and the "Class B Notes" which will have the benefit of certain particular covenants to be known as the "Class A Covenants" and the "Class B Covenants." All Notes are governed by the provisions of the Master Indenture other than the Class A Covenants and the Class B Covenants. The Class A Notes also have the benefit of the Class A Covenants but not of the Class B Covenants. The Class B Notes also have the benefit of the Class A Covenants plus the benefit of the Class B Covenants. Except for the foregoing, all Notes are equally and ratably secured by the Master Indenture.

All Original Notes are deemed to be Class B Notes. Additional Notes will be either Class A Notes or Class B Notes, as specified in the Related Supplemental Indenture creating such Additional Notes. The Series 2009C Notes are Class A Notes.

No Class A Covenant nor any Class B Covenant may be amended nor may the performance of any Class A Covenant or Class B Covenant be waived without the written consent of all Original Bond Insurers.

The Master Indenture sets forth, among other things, the terms on which the Members of the Obligated Group may incur and secure debt and also imposes restrictions on the Members of the Obligated Group. Certain provisions of the Master Indenture are summarized below. However, such summary is not a comprehensive description, and reference is made to the full text of the Master Indenture for a complete statement of its terms.

Permitted Liens. Except for Permitted Encumbrances, each Member agrees not to create or suffer or permit to exist any lien, charge, encumbrance or security interest on or in (i) its accounts, as defined in Article 9 of the Florida Uniform Commercial Code, (ii) any Hospital Facility or (iii) any tangible Property not constituting a Hospital Facility. Notwithstanding the foregoing, any Member may mortgage or lease any Hospital Facility to secure the payment of indebtedness owing by such Member so long as the instrument creating such mortgage or lease provides that such indebtedness and all Notes then Outstanding or thereafter issued under the Master Indenture will be equally and ratably secured thereby.

Permitted Indebtedness. Each Member and the Obligated Group will not incur, assume or guarantee any indebtedness or liability required by generally accepted accounting principles from time to time in effect to be shown or noted on the liability side of a balance sheet except for:

A. The Notes that were issued pursuant to Supplemental Indenture Numbers 50 through 60, each dated as of May 1, 1995, between the Obligated Group and the Master Trustee; the Original Notes that were Outstanding on the original date of execution and delivery of the Master Indenture; and all other indebtedness, guarantees and other liabilities of each individual Member and of the Obligated Group existing on such date.

B. Liabilities of any Member (other than for borrowed money) incurred in the regular course of the operations of such Member, including, without limitation, bank overdrafts incurred in the ordinary course of operations and liabilities as lessee under leases of real or personal property which are not required to be capitalized on the balance sheet of such Member in accordance with such generally accepted accounting principles from time to time in effect, or if such liabilities have not been so incurred, for the payment of which moneys have been deposited in a fund restricted for such purpose.

C. Indebtedness of any Member to any other Member.

D. Long-Term Debt of any individual Member or of the Obligated Group in addition to any Long-Term Debt included within the foregoing paragraphs A, B and C, provided that, except as provided in succeeding clauses (I), (II) and (III) of this paragraph D, the Obligated Group shall at the time of issuance thereof deliver to the Master Trustee *either*:

(1) *Certificate as to Historical Coverage*. An Officer's Certificate of the Obligated Group to the effect that for the two fiscal years of the Obligated Group next preceding the issuance of such Long-Term Debt for which audited income statements are available, the average annual Combined Net Income Available for Debt Service was not less than 110% of the Combined Maximum Annual Debt Service Requirement for all Combined Covered Debt and the Long-Term Debt then proposed to be issued; *or*

(2) *Certificate as to Historical Coverage and Report as to Pro-Forma Coverage*. The following certificate and report:

(x) An Officer's Certificate of the Obligated Group to the effect that for the two fiscal years of the Obligated Group next preceding the issuance of such Long-Term Debt for which audited income statements are available, the average annual Combined Net Income Available for Debt Service was not less than 110% of the Combined Maximum Annual Debt Service Requirement for all Combined Covered Debt Outstanding at the end of each such fiscal year other than the Long-Term Debt then proposed to be issued; and

(y) a report of a Management Consultant to the effect that the estimated annual Combined Net Income Available for Debt Service of the Obligated Group is not less than 125% of the Maximum Annual Debt Service Requirement on all Combined Covered Debt to be Outstanding after giving effect to the issuance of such Long-Term Debt and the application of the proceeds thereof (i) for each of the two fiscal years of the Obligated Group following the completion of any acquisition, construction, renovation or replacement of any capital assets or improvements being financed with any of the proceeds of such Long-Term Debt or (ii) if none of the proceeds of such Long-Term Debt are being used to finance any such acquisition, construction, renovation or replacement, then for each of the two fiscal years of the Obligated Group following the issuance of such Long-Term Debt, including the then current fiscal year;

provided, however, that notwithstanding the foregoing:

(I) the certificates and report set forth in the foregoing clauses (1) and (2) need not be delivered if after giving effect to the issuance of the Long-Term Debt in question and to the application of the proceeds thereof, the aggregate principal amount of all Combined Covered Debt then Outstanding does not exceed 65% of the Combined liabilities and equity of the Obligated Group as shown on its most recently audited balance sheet, as certified by an Officer's Certificate of the Obligated Group delivered to the Master Trustee concurrently with such issuance;

(II) in the event the audited income statement for the fiscal year of the Obligated Group next preceding the issuance of such Long-Term Debt for which an audited income statement is available shall disclose that the Combined Net Income Available for Debt Service for such fiscal year exceeds the Combined Maximum Annual Debt Service Requirement on all Combined Covered Debt Outstanding at the end of such fiscal year by 140% or more, then the report required by the foregoing clause (2)(y) need not be delivered by a Management Consultant but may instead be contained in an Officer's Certificate of the Obligated Group to the same effect, provided that the aggregate principal amount of all such Long-Term Debt so issued pursuant to this clause (II) in any fiscal year of the Corporation shall not exceed 10% of Combined Adjusted Annual Revenue, as shown on the most recently audited income statement; and

(III) in the event that a Management Consultant shall deliver a report to the Master Trustee to the effect that state or federal laws or regulations then in existence do not permit the Obligated Group to produce the required levels of Combined Net Income Available for Debt Service set forth above, then such levels shall be reduced to the maximum amount then permitted by such laws or regulations but in no event less than 100%.

E. Balloon Debt of any individual Member or of the Obligated Group, provided that at the time of issuance thereof (1) either (x) after giving effect thereto and to the application of the proceeds thereof, the aggregate unpaid principal amount of all Combined Balloon Debt issued pursuant to this clause 1(x), when added to the aggregate unpaid principal amount of all Combined Capital Appreciation Debt issued pursuant to clause 1(x) of paragraph F hereof, the aggregate unpaid principal amount of all Revolving Credit Debt issued pursuant to paragraph L hereof and the Combined aggregate unpaid principal amount of all Long-Term Debt and guarantees thereof issued pursuant to paragraph R hereof, does not exceed 20% of Combined Adjusted Annual Revenue, as shown by the most recently available audited financial statements of the Obligated Group, or (y) there exists a binding commitment, subject only to commercially reasonable contingencies, by a financial institution generally regarded as responsible, to provide financing sufficient to pay such Balloon Debt at its maturity and (2) the Obligated Group shall deliver to the Master Trustee the certificates and report set forth in either clause (1) or (2) of the foregoing paragraph D, prepared as though such Balloon Debt were Projected Long-Term Debt.

F. Capital Appreciation Debt of any individual Member or of the Obligated Group, provided that at the time of issuance thereof (1) either (x) the aggregate principal amount of all Combined Capital Appreciation Debt issued pursuant to this clause 1(x), when added to the aggregate unpaid principal amount of all Combined Balloon Debt issued pursuant to clause (1)(x) of paragraph E hereof, the aggregate unpaid principal amount of all Revolving Credit Debt issued pursuant to paragraph L hereof and the Combined aggregate unpaid principal amount of all Long-Term Debt and guarantees thereof issued pursuant to paragraph R hereof, does not exceed 20% of Combined Adjusted Annual Revenue, as shown by the most recently available audited financial statements of the Obligated Group, or (y) a sinking fund is established in connection with the issuance of such Capital Appreciation Debt into which sinking fund an amount is deposited no later than each Valuation Date equal to the difference between the Accreted Value of such Capital Appreciation Debt as of such Valuation Date and the Accreted Value of such Capital Appreciation Debt as of the preceding Valuation Date and (2) the Obligated Group shall deliver to the Master Trustee the certificates and report set forth in either clause (1) or (2) of the foregoing paragraph D, prepared as though such Capital Appreciation Debt were Projected Long-Term Debt.

G. Completion Debt of any individual Member or of the Obligated Group, provided that at the time of issuance thereof the Obligated Group shall deliver to the Master Trustee an Officer's Certificate of the Obligated Group demonstrating how such Completion Debt would be repaid if it were Projected Long-Term Debt.

H. Interim Debt of any individual Member or of the Obligated Group, provided that at the time of issuance thereof the Obligated Group shall deliver to the Master Trustee (i) an Officer's Certificate stating that it is the reasonable expectation of the Obligated Group that such Interim Debt will be refinanced within five years of the date of issuance thereof and (ii) the certificates and report set forth in clauses (1) or (2) of the foregoing paragraph D, prepared as though such Interim Debt were Projected Long-Term Debt.

I. Letter of Credit Debt of any individual Member or of the Obligated Group, provided that at the time of issuance thereof the Obligated Group shall deliver to the Master Trustee the certificates and report set forth in either clause (1) or (2) of the foregoing paragraph D, prepared as though such Letter of Credit Debt were Projected Long-Term Debt.

J. Put Debt of any individual Member or the Obligated Group secured by a commitment from a third party to purchase such Put Debt, provided that at the time of issuance thereof the Obligated Group shall deliver to the Master Trustee the certificates and report set forth in either clause (1) or (2) of the foregoing paragraph D, prepared as though such Put Debt were Projected Long-Term Debt.

K. Refunding Debt of any individual Member or of the Obligated Group, provided that after giving effect to the issuance of such Refunding Debt and the application of the proceeds thereof, the Combined Maximum Annual Debt Service on all Combined Covered Debt then to be Outstanding does not exceed 105% of the Combined Maximum Annual Debt Service Requirement on all Combined Covered Debt

Outstanding immediately prior to such issuance, as evidenced by an Officer's Certificate of the Obligated Group delivered to the Master Trustee concurrently with such issuance.

L. Revolving Credit Debt of any individual Member or of the Obligated Group, provided that at the time of issuance of such Revolving Credit Debt and after giving effect thereto (1) the aggregate unpaid principal amount of all Combined Revolving Credit Debt issued pursuant to this paragraph L, when added to the aggregate unpaid principal amount of all Combined Balloon Debt issued pursuant to clause (1)(x) of paragraph E hereof, the aggregate unpaid principal amount of all Combined Capital Appreciation Debt issued pursuant to clause 1(x) of paragraph F hereof and the Combined aggregate unpaid principal amount of all Long-Term Debt and guarantees thereof issued pursuant to paragraph R hereof, does not exceed 20% of Combined Adjusted Annual Revenue, as shown by the most recently available audited financial statements of the Obligated Group, and (2) the Obligated Group shall deliver to the Master Trustee the certificates and report set forth in either clause (1) or (2) of the foregoing paragraph D, prepared as though such Revolving Credit Debt were Projected Long-Term Debt.

M. Variable Rate Debt of any individual Member or of the Obligated Group, provided that at the time of issuance thereof the Obligated Group shall deliver to the Master Trustee the certificates or report set forth in either clause (1) or (2) of the foregoing paragraph D, prepared as though such Variable Rate Debt were Projected Long-Term Debt.

N. Guaranteed Debt of any individual Member or of the Obligated Group, provided that at the time of the giving or making thereof the Obligated Group shall deliver to the Master Trustee the certificates and report set forth in either clause (1) or (2) of the foregoing paragraph D, prepared as though the obligation guaranteed were Long-Term Debt of the Obligated Group except that (i) only 20% of the maximum amount of principal and interest coming due on such obligation shall be included in determining the Combined Maximum Annual Debt Service Requirement therefor and (ii) no such certificates or report need be delivered if such Guaranteed Debt is incurred in any year in which the Combined Net Income Available for Debt Service for the most recent preceding fiscal year for which audited income statements are available is not less than 200% of the Combined Maximum Annual Debt Service Requirement for all Combined Covered Debt Outstanding at the end of such fiscal year.

O. Commitment Debt of any individual Member or of the Obligated Group.

P. Subordinated Debt of any individual Member or of the Obligated Group.

Q. Liquidity Debt of any individual Member or of the Obligated Group, provided that at the time of issuance thereof and after giving effect thereto the Obligated Group shall deliver to the Master Trustee an Officer's Certificate of the Obligated Group to the effect that the Obligated Group maintains Liquidity Investments with a fair market value not less than 105% of the aggregate principal amount of Liquidity Debt then Outstanding and the Liquidity Debt then proposed to be issued.

R. Other indebtedness of any individual Member or of the Obligated Group, including guaranties, whether or not constituting Long-Term Debt, in addition to the indebtedness permitted by the preceding paragraphs A through Q, provided that: (1) at the time of issuance thereof and after giving effect thereto the Combined aggregate principal amount of all Long Term Debt and guarantees thereof issued pursuant to this paragraph R then Outstanding, when added to the aggregate unpaid principal amount of all Combined Balloon Debt issued pursuant to clause (1)(x) of paragraph E hereof, the aggregate unpaid principal amount of all Combined Capital Appreciation Debt issued pursuant to clause 1(x) of paragraph F hereof and the aggregate unpaid principal amount of all Combined Revolving Credit Debt issued pursuant to paragraph L hereof, does not exceed 20% of Combined Adjusted Annual Revenue, as shown on the most recently available audited financial statements of the Obligated Group; (2) at the time of the issuance of any Short-Term Debt pursuant to this paragraph R and after giving effect thereto, the aggregate unpaid principal amount of all Combined Short-Term Debt then Outstanding, when added to the Combined aggregate unpaid principal amount of all indebtedness referred to in the preceding clause (1) of this paragraph R, does not exceed 25% of such Combined Adjusted Annual Revenue; and (3) for a period of not less than 15 consecutive days in each of its fiscal years the Obligated Group shall not have Outstanding any such Short-Term Debt incurred for working capital, i.e., incurred to pay operating expenses, in excess of 5% of such Combined Adjusted Annual Revenue, it being understood and agreed, however, that the provisions of this clause (3) shall not apply to guaranties of obligations of other Persons incurred for working capital.

Any indebtedness issued or guaranteed by any individual Member or the Obligated Group pursuant to any of the preceding lettered paragraphs may at any time and from time to time, if the same is then permitted to be issued or guaranteed pursuant to another lettered paragraph, be reclassified by the Obligated Group as having been issued or guaranteed pursuant to such other paragraph by the delivery to the Master Trustee of an Officer's Certificate of the Obligated Group setting forth the fact of such reclassification, which Officer's Certificate shall be supported by the documents and showings, if any, which would be required if such indebtedness or guaranty were then being issued pursuant to such other paragraph.

Notwithstanding any provision to the contrary contained in the Master Indenture, so long as any Liquidity Debt of any individual Member or of the Obligated Group is Outstanding, the Obligated Group agrees to maintain on each June 30 and December 31 Liquidity Investments with a fair market value at least equal to 105% of the aggregate principal amount of all Combined Liquidity Debt then Outstanding. The Obligated Group must deliver to the Master Trustee on each June 30 and December 31 (a "Liquidity Valuation Date") an Officer's Certificate stating that it maintains Liquidity Investments in the amount required by the preceding sentence. In the event the Obligated Group does not maintain Liquidity Investments in the required amount as of any Liquidity Valuation Date, the Obligated Group shall either (i) prepay Liquidity Debt or (ii) reclassify Liquidity Debt as other permitted debt in accordance with the provisions of the immediately preceding paragraph, in either case in a principal amount sufficient for the Obligated Group to be in compliance with the requirements of this paragraph.

Notwithstanding any provision to the contrary contained in the Master Indenture, any individual Member or the Obligated Group may guarantee the obligation of any Person consisting of Long-Term Debt if at the time of the making of such guaranty the Obligated Group shall deliver to the Master Trustee the certificates and report set forth in either clause (1) or (2) of the foregoing paragraph D, prepared as though such obligation were Long-Term Debt of the Obligated Group and may also guarantee the obligation of any Person consisting of Short-Term Debt if at the time of the issuance of any such guaranty the Obligated Group could, pursuant to the provisions of paragraph R above, incur Short-Term Debt in a principal amount equal to the Short-Term Debt then being guaranteed. Any such guaranty of Long-Term Debt or Short Term Debt shall be included in the amount, respectively, of Long-Term Debt or Short Term Debt that could be incurred pursuant to the Master Indenture so long as such guaranty shall remain in force, but the amount of any such guaranty shall be reduced by the amount of any payment of principal on the indebtedness so guaranteed.

Class B Covenants: Permitted Indebtedness Generally. For purposes of the Class B Covenants, each Member and the Obligated Group will perform the covenants summarized under "Permitted Indebtedness" above as though:

(a) Clause (1) of paragraph D thereof read as follows:

"(1) Certificate as to Historical Coverage. An Officer's Certificate of the Obligated Group to the extent that for each of the two fiscal years of the Obligated Group next preceding the issuance of such Long-Term Debt for which audited income statements are available, Combined Net Income Available for Debt Service was not less than 115% of the Combined Maximum Annual Debt Service Requirement for all Combined Covered Debt and the Long-Term Debt then proposed to be issued and the average annual Combined Net Income Available for Debt Service for such two fiscal years was not less than 125% of such Combined Maximum Annual Debt Service Requirement; *or*"

(b) Clause 2(x) of paragraph D thereof read as follows:

"(x) An Officer's Certificate of the Obligated Group to the effect that for each of the two fiscal years of the Obligated Group next preceding the issuance of such Long-Term Debt for which audited income statements are available, Combined Net Income Available for Debt Service was not less than 115% of the Combined Maximum Annual Debt Service Requirement for all Combined Covered Debt Outstanding at the end of each such fiscal year other than the Long-Term Debt then proposed to be issued and the average annual Combined Net Income Available for Debt Service for such two fiscal years was not less than 125% of such Combined Maximum Annual Debt Service Requirement; and";

(c) clause (II) of the proviso to paragraph D were deleted in any instance where a report of a Management Consultant had been delivered pursuant to clause (III) thereof; and

(d) such covenants provided that:

(1) the aggregate unpaid principal amount of all Combined Interim Debt which constitutes Short-Term Debt and the aggregate unpaid principal amount of all other Combined Short-Term Debt shall not at any time exceed 10% of Combined Adjusted Annual Revenue, as shown on the most recently audited income statement of the Obligated Group;

(2) for a period of not less than 20 consecutive days in each of its fiscal years, the Obligated Group shall not have Outstanding Combined Short-Term Debt (including Interim Debt which constitutes Short-Term Debt) in excess of 5% of Combined Adjusted Annual Revenue, as shown on its most recently audited income statement; and

(3) the aggregate unpaid principal amount of all Combined Interim Debt issued pursuant to paragraph H hereof and the Combined aggregate unpaid principal amount of all indebtedness issued pursuant to paragraph R(1) hereof shall not at any time exceed 20% of Combined Adjusted Annual Revenue, as shown on the most recently audited income statement of the Obligated Group.

In addition to the foregoing, each Member agrees that no Long-Term Debt shall be issued pursuant to clause (I) of the proviso to paragraph D hereof without the prior written consent thereto of all Original Bond Insurers.

Class B Covenants: Balloon Debt. Each Member agrees, notwithstanding the provisions of paragraph E of the section above entitled "Permitted Indebtedness" or the provisions of clause (c) of the definition of "Maximum Annual Debt Service Requirement" contained above under the heading "DEFINITIONS OF CERTAIN TERMS" hereof to the contrary, that:

(a) no Balloon Debt shall be issued pursuant to such paragraph E unless the same matures at least 60 months after the date of issuance thereof;

(b) in determining the Maximum Annual Debt Service Requirement therefor at any time occurring within 24 months prior to the maturity date thereof, the actual amounts of principal and interest payable thereon shall be included; and

(c) concurrently with such issuance the Obligated Group shall notify each Original Bond Insurer thereof.

Class B Covenants: Letter of Credit Debt, Put Debt and Commitment Debt. Each Member agrees, notwithstanding the provisions of paragraphs I, J and O of the section above entitled "Permitted Indebtedness," that no Letter of Credit Debt, Put Debt or Commitment Debt shall, respectively be issued unless the debt obligations of the financial institution providing the related letter of credit, line of credit, insurance policy, surety bond or commitment are rated in one of the three highest rating categories by both Moody's and Standard & Poor's.

Class B Covenants: Completion Debt. Each Member agrees, notwithstanding the provisions of paragraph G of the section above entitled "Permitted Indebtedness", that no Completion Debt shall be issued unless at the time of issuance thereof the Obligated Group shall deliver to the Master Trustee an Officer's Certificate stating that the original Long-Term Debt in respect of which such Completion Debt is being issued was, at the time of issuance thereof, deemed by the Obligated Group to be sufficient for the purpose for which it was being issued and setting forth the reasons why the same later proved to be insufficient and further stating that the principal amount of such Completion Debt does not exceed 20% of such original Long-Term Debt.

Class B Covenants: Guaranteed Debt. Each Member agrees, notwithstanding the provisions of paragraph N of the section above entitled "Permitted Indebtedness", that no Guaranteed Debt shall be issued in reliance on the exception contained in clause (2) of such paragraph N and that if any Guaranteed Debt or other guaranty is outstanding and the guarantor thereof has made a payment on the obligation guaranteed within the 24 month period preceding any date of determination of the Maximum Annual Debt Service Requirement for such Guaranteed Debt or other guaranty, the same shall be included in determining such Requirement, notwithstanding the provisions of clause (d) of the definition of Maximum Annual Debt Service Requirement contained above under the heading "DEFINITIONS OF CERTAIN TERMS."

Class B Covenants: Liquidity Debt. Each Member agrees, notwithstanding the provisions of paragraph Q of the section above entitled "Permitted Indebtedness," that no Liquidity Debt shall be issued unless:

(a) if such Liquidity Debt would otherwise constitute Long-Term Debt, the requirements of paragraph D of such section, as modified by the provisions set forth above under the section entitled "Class B Covenants: Permitted Indebtedness Generally," are satisfied, except that only 85% of the principal and interest payable thereon in any fiscal year shall be included in determining the Maximum Annual Debt Service Requirement therefor; or

(b) if such Liquidity Debt would otherwise constitute Short-Term Debt, the requirements of paragraph R of such section, as modified by the provisions set forth above under the section entitled "Class B Covenants: Permitted Indebtedness Generally," are satisfied; and

(c) if the indebtedness of the Obligated Group that is not supported by the credit of a third party is rated less than "AA" by Standard & Poor's, such Liquidity Debt is supported by a liquidity facility provided by a financial institution whose debt obligations are rated in the two highest investment rating categories by Standard & Poor's;

(d) concurrently with the issuance thereof the Obligated Group shall deliver to the Master Trustee the following:

(1) a letter from Standard & Poor's to the effect that the investment rating assigned by such rating agency to the indebtedness of the Obligated Group that is not supported by the credit of a third party will not be reduced as a result of such issuance; and

(2) an opinion of Bond Counsel to the effect that the interest on any Related Bonds that are to be supported by such Liquidity Debt is exempt from federal income taxation if the intent of the Obligated Group in issuing such Liquidity Debt to have such interest be so exempt; and

In addition to the foregoing, each Member agrees that:

(x) any Liquidity Debt issued pursuant to the foregoing paragraph (a) shall thereafter be deemed to be included within the definition of Covered Debt, except that only 85% of the principal and interest payable thereon in any fiscal year shall be included in determining the Maximum Annual Debt Service Requirement therefor;

(y) notwithstanding the provisions contained above under the section entitled "Permitted Liens" hereof to the contrary, no security interest shall be created in any Liquidity Investment except for security interests therein securing Liquidity Debt and then only if concurrently with the creation thereof, the Obligated Group shall deliver to the Master Trustee an opinion of Bond Counsel to the effect that the creation of such security interest does not adversely affect the exemption from federal income taxation of the interest on any Related Bonds; and

(z) so long as any Liquidity Debt is outstanding, the certificate of the accountants required to be delivered with the annual audited financial statements shall state that all Liquidity Investments are being held in a segregated account.

Rates and Charges. The Obligated Group agrees to fix rates, fees and charges for the services furnished by its Hospital Facilities and other facilities in amounts sufficient to maintain Combined Net Income Available for Debt Service in an amount not less than 115% of the Combined Maximum Annual Debt Service Requirement on all Combined Covered Debt; provided, however, that in the event a Management Consultant shall deliver a report to the Master Trustee that state or federal laws or regulations then in effect do not permit the Obligated Group to maintain such ratio, then such ratio shall be reduced to the maximum ratio then permitted by such laws or regulations but in no event less than 100%. In the event that the annual audit report for any fiscal year of the Obligated Group discloses that the ratio required by the preceding sentence is not being maintained, the Obligated Group shall, within 30 days following the delivery of such audit report, employ a Management Consultant to prepare a report containing recommendations as to changes in the operating policies of the Obligated Group designed to maintain such ratio, and the Obligated Group shall follow such recommendations to the extent deemed feasible. A copy of such report shall be delivered to the Master Trustee. No default shall be deemed to occur under this paragraph if such recommendations are followed, notwithstanding that such ratio is not subsequently re-attained, but the Obligated Group shall continue to be obligated to employ such a Management Consultant and obtain such a report in any year where such annual audit report discloses that such amount is not being maintained.

Class B Covenants: Rates and Charges. Each Member agrees, notwithstanding the provisions under the section above entitled "Rates and Charges," that an Event of Default shall be deemed to have occurred under the Master Indenture if (a) the annual audit report of the Obligated Group for any fiscal year shall disclose that the Combined Net Income Available for Debt Service for such fiscal year is less than 100% of the Combined Maximum Annual Debt Service Requirement on all Combined Covered Debt Outstanding at the end of such fiscal year and (b) any Original Bond Insurer notifies the Master Trustee in writing that it desires such event to be an Event of Default.

Transfers of Property. Except as permitted by the provisions of the Master Indenture relating to consolidation, merger, sale or conveyance of all or substantially all assets, the Obligated Group will not in any fiscal year sell, lease, dispose or otherwise transfer any Property, other than in the ordinary course of its operations, in excess of 3% of the Combined Book Value of all Combined Property determined as of the end of the most recent fiscal year in respect of which an audited balance sheet has been delivered unless the Obligated Group certifies to the Master Trustee in an Officer's Certificate of the Obligated Group that:

(a) the Property in question (which may include any Hospital Facility) has become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease, disposition or other transfer thereof will not impair the structural soundness, efficiency or economic value of any Hospital Facility; or

(b) immediately after such sale, lease, disposition or other transfer, the Obligated Group would be able to issue $1.00 of Long-Term Debt pursuant to paragraph D of the section entitled "Permitted Indebtedness" set forth above.

Any Officer's Certificate delivered pursuant to the foregoing paragraph (b) must be accompanied by the certificates and report required by either clause (1) or (2) of paragraph D under "Permitted Indebtedness" set forth above.

Notwithstanding any provision to the contrary contained in the Master Indenture, any individual Member may, from time to time and at any time, sell all or any portion of its Property which is classified as accounts receivable in accordance with generally accepted accounting principles, on such terms as are deemed favorable by such Member, free of the security interest created by the Master Indenture, provided that the foregoing restrictions on transfers of Property are satisfied and provided, further, that if any such accounts are sold with recourse, the restrictions on permitted indebtedness set forth above under the caption entitled "Permitted Indebtedness" are satisfied with respect to the recourse obligation created in connection with such sale.

Class B Covenants: Transfer of Property; Florida Hospital. Each Member agrees, notwithstanding the provisions above under the section entitled "Transfers of Property," that the Obligated Group will not in any fiscal year sell, lease or dispose of or otherwise transfer any Property comprising Florida Hospital, other than in the ordinary cause of its operations, in excess of 3% of the Book Value of Florida Hospital determined as of the end of the most recent fiscal year in respect of which an audited balance sheet has been delivered.

Consolidation, Merger, Sale or Conveyance. Each Member covenants that it will not dissolve or otherwise dispose of all or substantially all of its assets to any Person other than a Member and that it will not merge into, or consolidate with, one or more corporations which are not Members or allow one or more such corporations to merge into such Member unless:

(a) either such Member shall be the continuing corporation, or the successor corporation (if other than such Member) shall be a corporation organized and existing under the laws of the United States of America or a State thereof and such corporation shall expressly assume, on a joint and several basis with all other Members, the due and punctual payment of the principal of and premium, if any, and interest on all Notes and the due and punctual performance and observance of all of the covenants and conditions of the Master Indenture to be performed and observed by such Member by a supplemental indenture satisfactory to the Master Trustee, executed and delivered to the Master Trustee by such corporation; and

(b) such Member or such successor corporation, as the case may be, shall not, immediately after such merger or consolidation, or such sale or conveyance, be in default in the performance or observance of any covenant or condition of the Master Indenture, and no Event of Default shall have occurred and be continuing and no event shall have occurred and be continuing which, with the lapse of time or giving of notice, or both, would constitute an Event of Default; and *either*

(c) such Member demonstrates, in an Officer's Certificate of the Obligated Group delivered to the Master Trustee, that the average annual Combined Net Income Available for Debt Service for the two consecutive fiscal years of the Obligated Group preceding such merger, consolidation or sale for which audited financial statements are available is not less than 125% of the Combined Maximum Annual Debt Service on all Combined Covered Debt immediately following such merger, consolidation or sale; *or*

(d) such Member, or such successor corporation, as the case may be, demonstrates, in a report of a Management Consultant delivered to the Master Trustee, that the average annual Combined Net Income Available for Debt Service for the two fiscal years following such merger, consolidation or sale is estimated to be at least 125% of the Combined Maximum Annual Debt Service Requirement on all Combined Covered Debt; and

(e) the Combined net worth of the Obligated Group immediately following such merger or consolidation or such sale or conveyance, shall not be less than 90% of the net worth of the Obligated Group immediately prior thereto, determined in accordance with generally accepted accounting principles in effect at the time of such determination; and

(f) such merger or consolidation will not adversely affect the exemption from federal income taxes of the interest on any Related Bonds.

In the event a Management Consultant shall deliver a report to the Master Trustee to the effect that state or Federal laws or regulations have not permitted or do not permit the Obligated Group to produce the level of Combined Net Income Available for Debt Service referred to in either the preceding paragraph (c) or (d), then such level shall be reduced to the maximum amount permitted for the period in question by such laws or regulations, but in no event less than 100%.

Class B Covenants: Consolidation, Merger, Sale or Conveyance. Each Member will perform the covenants contained above under the section entitled "Consolidation, Merger, Sale or Conveyance" as though the percentage appearing in paragraphs (c) and (d) thereof were "130%" in lieu of "125%" and will also in making any calculation pursuant to paragraph (c) thereof, assume that the party to such merger, consolidation or sale other than such Member is a Member of the Obligated Group in any fiscal year in question in which such party incurred a net operating loss. Each Member further agrees that the second paragraph of such section shall be deemed deleted.

Financial Statements. Each Member agrees that its fiscal year will be the same as that of the other Members. In addition, the Obligated Group agrees that it will in no event later than 120 days after the end of each fiscal year file with the Master Trustee, any Bond Insurer and with each Noteholder who may have so requested or in whose behalf the Master Trustee may have so requested and with any nationally recognized investment rating agency then rating Related Bonds supported solely by the credit of the Obligated Group (i) a Combined audited income and expense statement of the Obligated Group for such fiscal year, (ii) a Combined audited balance sheet of the Obligated Group as of the end of such fiscal year, (iii) a Combined statement of changes in equity and (iv) a Combined statement of cash flows, each accompanied by an opinion of independent certified public accountants, together with a certificate of such accountants stating whether or not to the best knowledge of such accountants the Obligated Group or any Member thereof is in default in the performance of any covenant contained in the Master Indenture, and, if so, specifying each such default of which such accountants have knowledge.

Loans, Advances and Extensions of Credit. Each Member and the Obligated Group will not make any loan, advance or extension of credit to any Person other than a Member, if at the time of the making thereof and after giving effect thereto, the aggregate principal amount of all loans, advances or extensions of credit then outstanding would exceed 10% of the Combined total assets, as shown in the most recently audited balance sheet of the Obligated Group.

Pledge of Accounts and Gross Revenues and Deposit of Gross Revenues. As security for the payment of the Notes and the performance of all covenants contained in the Master Indenture, each Member grants the Master Trustee a security interest in its accounts, as defined in Article 9 of the Florida Uniform Commercial Code, and in its Gross Revenues, and all proceeds of such accounts and Gross Revenues, subject to the rights of any holder of a security interest in such accounts permitted by clause (h) of the definition of "Permitted Encumbrances" set forth above and excluding any such accounts sold by any Member as permitted by the last paragraph of the section entitled "Transfers of Property" set forth above.

Each Member further agrees, subject to the rights of any such holder and the rights of any purchaser of such accounts pursuant to any such sale, to deposit with the Master Trustee on a daily basis all Gross Revenues upon the occurrence of any of the following events and to continue such deposits in each instance until the period hereinafter specified therefor has elapsed:

(a) the failure to make any payment of principal and interest or both due on any Note on any payment date specified therein—until such payment has been made in full; or

(b) *Intentionally omitted*; or

(c) the failure, for two consecutive months, to make monthly payments in respect of any Note required to be made by any Related Loan Document—until such payments have been made and for a period of six months thereafter; or

(d) in the event that the annual audit reports of the Obligated Group for two consecutive fiscal years shall disclose that the Combined Net Income Available for Debt Service for each such fiscal year is less than 100% of the Combined Maximum Annual Debt Service Requirement on all Combined Covered Debt Outstanding at the end of each such fiscal year—until an annual audit report of the Obligated Group shall disclose that such ratio is 100% or greater; or

(e) in the event that any deficiency in a debt service reserve fund established by a Related Bond Indenture is not cured within the period therein specified for curing such deficiency—until such deficiency is cured; or

(f) an Event of Default specified in paragraphs (d), (e) or (f) of the first paragraph of the section below entitled "Defaults and Remedies" shall occur and be continuing—until such Event of Default is cured; or

(g) the failure of the Obligated Group to perform its covenants relating to permitted liens as set forth above in the definition of *"Permitted Encumbrances"* and the section entitled "Permitted Liens" and the continuance of such default for a period of 30 days—until such default is cured; or

(h) the failure of the Obligated Group to perform its covenants set forth above under the sections entitled "Permitted Indebtedness," "Class B Covenants: Permitted Indebtedness Generally," "Class B Covenants: Balloon Debt," "Class B Covenants: Letter of Credit Debt, Put Debt and Commitment Debt," "Class B Covenants: Completion Debt," "Class B Covenants: Guaranteed Debt," "Class B Covenants:

Liquidity Debt," "Class B Covenants: Rates and Charges," "Class B Covenants: Transfers of Property; Florida Hospital" and "Class B Covenants: Consolidation, Merger, Sale or Conveyance" and set forth below under the sections entitled "Class B Covenants: Current Ratio," "Class B Covenants: Quick Ratio," "Class B Covenants: Hedging Transactions" and "Class B Covenants: Admission to or Withdrawal from the Obligated Group"—until such default is cured.

All Gross Revenues, when so deposited, shall be held by the Master Trustee for the exclusive benefit of the holders of all Notes issued under the Master Indenture, equally and ratably in proportion to the unpaid principal amounts thereof, but, in the sole discretion of the Master Trustee, the same may at any time and from time to time be released to one or more Members to pay expenses of operation.

Insurance. Each Member of the Obligated Group agrees to maintain insurance (including self-insurance for risks other than those covered by casualty insurance for fire and extended coverage of any Member, if deemed prudent under the circumstances by an Independent Insurance Consultant) covering such risks and in such amounts as, in the judgment of such Member, are adequate to protect such Member and its properties and operations. The insurance required to be maintained pursuant to the Master Indenture shall be subject to the annual review and approval of an Independent Insurance Consultant, and such Member shall follow any recommendations of the Independent Insurance Consultant conducting such review to the extent feasible.

In addition to the foregoing, any self-insurance program shall include a claims reserve fund maintained with a bank or trust company in a separate trust fund which shall be evaluated annually by an Independent Insurance Consultant as to its actuarial soundness. The Member for whose benefit such program has been established will promptly after any such evaluation remedy any deficiency in such fund in accordance with the recommendation of the Independent Insurance Consultant and, to the extent reasonably practicable, will cause such program to qualify for reimbursement under Medicaid and Medicare regulations. In the event any such program shall be discontinued, the actuarial soundness of any such fund shall be evaluated by such Insurance Consultant and any deficiency therein shall likewise promptly be remedied by such Member through immediate payment or otherwise.

Class B Covenants: Insurance. Notwithstanding the provisions of the section above entitled "Insurance" to the contrary, the Obligated Group must at all times maintain insurance as follows:

(a) The Obligated Group must carry the following types of insurance at all times:

(1) property insurance, in an amount at least equal to the total unpaid principal amount of all Related Bonds from time to time Outstanding;

(2) professional liability insurance, in an amount at least equal to $1,000,000 per occurrence and $3,000,000 in the aggregate;

(3) boiler insurance (where appropriate);

(4) automobile insurance, with a combined single limit for bodily injury and property damage of at least $500,000 for each accident;

(5) business interruption insurance, covering loss of revenues by reason of the total or partial suspension of, or interruption in, the operation of the Hospital Facilities caused by the damage to or the destruction of any part of the Hospital Facilities, covering a period of suspension or interruption and in such amount as will provide revenues equal to the maximum principal and interest requirements with respect to the outstanding indebtedness of the Obligated Group required to be paid during a period at least equal to one year, together with the amount required to pay salaries of key personnel of the Hospital Facilities during such period; and

(6) worker's compensation insurance, in such amount as is customarily carried by institutions similar in size and liability exposure to the Obligated Group.

(b) The Obligated Group may be self-insured for all or any part of the foregoing insurance referred to in clauses (2) or (6) of the foregoing paragraph (a) if:

(1) the self-insurance program has been approved by a nationally recognized Independent Insurance Consultant that has actuarial personnel experience in the area of insurance for which the Obligated Group is self-insuring;

(2) the self-insurance program includes an actuarially sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated on an annual basis by an Independent Insurance Consultant; and any deficiencies in any self-insured claims fund will be remedied in accordance with the recommendations of the Insurance Consultant;

(3) the self-insured claims fund shall be held in a separate trust fund by an independent trustee;

(4) in the event the self-insurance program shall be discontinued, the actuarial soundness of its claims fund, as determined by an Insurance Consultant, shall be maintained; and

(5) each such self-insurance program shall qualify for reimbursement under Medicare and Medicaid.

(c) All insurance policies shall name the Obligated Group, the Original Bond Insurers and the Master Trustee as parties insured thereunder as their respective interests may appear and shall provide that all insurance carriers give the Original Bond Insurers 30 days' prior notice of any cancellation of such insurance.

Class B Covenants: Current Ratio. For purposes of the Class B Covenants, the Obligated Group will at all times maintain a ratio of Combined current assets to Combined current liabilities (the "Current Ratio") of not less than 1.25 to 1. "Current assets" and "current liabilities" shall be determined as to both classification of items and amounts in accordance with the generally accepted accounting principles used in the preparation of the audited financial statements described under the section above entitled "Financial Statements"; provided, however, that for purposes of calculating this ratio and irrespective of whether the same is in accordance with such generally accepted accounting principles, there shall be included in current assets all funded depreciation and there shall be excluded therefrom (i) all prepaid expenses and (ii) all amounts due to the Obligated Group or any Member from any Affiliate and any directors, officers or employees of any Member or Affiliate. All determinations of the Current Ratio shall exclude Liquidity Investments and Liquidity Debt.

Class B Covenants: Quick Ratio. For purposes of the Class B Covenants, the Obligated Group will at all times maintain a ratio of Combined quick assets to Combined current liabilities (the "Quick Ratio") of not less than 1 to 1. "Quick assets" shall include cash, accounts, other current receivables and readily marketable securities classified as current assets. "Quick assets" and "current liabilities" shall be determined as to both classification of items and amounts in accordance with the generally accepted accounting principles used in the preparation of the audited financial statements described under the section above entitled "Financial Statements"; provided, however, that, for purposes of calculating this ratio and irrespective of whether the same is in accordance with such generally accepted accounting principles, there shall be included in quick assets all funded depreciation. All determinations of the Quick Ratio shall exclude Liquidity Investments and Liquidity Debt.

Additional Notes Evidencing Hedging Transactions. Additional Notes may be issued under the Master Indenture to evidence Hedging Transactions without being subject to any of the requirements of the Master Indenture summarized above under the heading "Permitted Indebtedness." Any such Additional Note shall be equally and ratably secured by the lien of the Master Indenture; provided, however, that any such Additional Note shall be deemed to be Outstanding solely for the purpose of receiving payment and the holder thereof shall not be entitled to exercise any other rights under the Master Indenture.

Class B Covenants: Hedging Transactions. Each Member agrees, notwithstanding the provisions of paragraph (f) of the definition of "Maximum Annual Debt Service Requirement" set forth above under the heading "DEFINITIONS OF CERTAIN TERMS" and notwithstanding any other provision of the Master Indenture to the contrary, that the actual payments which any Member or the Obligated Group is making under any Hedging Transaction shall constitute Long-Term Debt for all purposes of the Master Indenture and, to the extent amortized in accordance with generally accepted accounting principles, shall be so amortized. In addition, each Member further agrees that any amounts to be received from any financial institution which is a party to a Hedging Transaction are not to be included or otherwise taken into account in determining Net Income Available for Debt Service or the Maximum Annual Debt Service Requirement for Long-Term Debt for any future period.

Admission to the Obligated Group. With the consent of Sunbelt, any Person may become a Member of the Obligated Group if, in addition to satisfying other conditions set forth in the Master Indenture, the Obligated Group delivers to the Master Trustee an Officer's Certificate of the Obligated Group, supported by required certificates and reports, to the effect that immediately after such admission (a) the Obligated Group would be able to issue $1.00 of Long-Term Debt pursuant to paragraph D of the section above entitled "Permitted Indebtedness" (as modified by the provisions of the section above entitled "Class B Covenants: Permitted Indebtedness Generally," if applicable) and (b) the Combined unrestricted fund balance of the Obligated Group would be not less than 90% of such Combined unrestricted fund balance immediately prior to such admission.

Withdrawal from the Obligated Group. Sunbelt must always be a Member of the Obligated Group and may not withdraw therefrom. With the consent of Sunbelt, however, any other Member may withdraw from the Obligated Group if, in addition to satisfying other conditions set forth in the Master Indenture, the Obligated Group delivers to the Master Trustee, an Officer's Certificate of the Obligated Group, supported by required certificates and reports, to the effect that immediately after such withdrawal the Obligated Group would be able to issue $1.00 of Long-Term Debt pursuant to paragraph D of the section above entitled "Permitted Indebtedness" (as modified by the provisions of the section above entitled "Class B Covenants: Permitted Indebtedness Generally," if applicable).

Class B Covenants: Withdrawal from the Obligated Group. Notwithstanding the provisions of the section above entitled "Withdrawal from the Obligated Group" to the contrary, each Member agrees that no Member may withdraw from the Obligated Group if the effect thereof would be to cause the Property known as Florida Hospital/Orlando (located on Rollins Avenue in Orlando) not to be owned by one or more Members remaining in the Obligated Group after such withdrawal.

Defaults and Remedies. The following events are "Events of Default" under the Master Indenture:

(a) the failure of the Obligated Group to make any payment of the principal of, the premium, if any, or interest on any Note when and as the same shall become due and payable, whether at maturity, by acceleration or otherwise, in accordance with the terms thereof, of the Master Indenture and any Related Supplemental Indenture;

(b) the failure of the Obligated Group to perform any other covenant, condition or provision of the Master Indenture and to remedy such default within 30 days after written notice thereof from the Master Trustee to the Group Representative unless the nature of the default is such that it can be remedied but cannot be remedied within the thirty-day period and the Master Trustee agrees in writing to an extension of time (which agreement shall not be unreasonably withheld) and the Obligated Group institutes corrective action within the period agreed upon and diligently pursues such action until the default is remedied; or

(c) if any representation or warranty made by the Obligated Group in any statement or certificate furnished in connection with any sale of Notes or any Related Bonds or furnished by the Obligated Group or any Member pursuant to the Master Indenture proves untrue in any material respect as of the date of the issuance or making thereof and shall not be made good within 30 days after written notice thereof to the Group Representative by the Master Trustee; or

(d) if default shall occur under any instrument of any Member for borrowed money exceeding $500,000 in unpaid principal amount, whether such default consists of the non-payment of such indebtedness or the non-performance of another covenant contained in such instrument, with the result in either case that such indebtedness becomes due and payable prior to the expressed maturity thereof and remains unpaid for 30 days after the date fixed for such acceleration, unless any such default is being contested in good faith; or

(e) any judgment, writ or warrant of attachment or of any similar process in an amount in excess of $100,000 shall be entered or filed against any Member or against any of its Property and remains unvacated, unpaid, unbonded or unstayed for a period of 30 days; or

(f) certain events of bankruptcy or insolvency relating to any Member.

If an Event of Default has occurred and is continuing, the Master Trustee may, and if requested by the holders of not less than 25% in aggregate principal amount of all Notes then Outstanding, or, if such Event of Default results from the failure to perform a Class A or a Class B Covenant and if requested by any Original Bond Insurer, the Master Trustee shall, by notice in writing to the Group Representative, declare the principal of and accrued interest on all Notes to be due and payable immediately. The Notes will also be automatically accelerated if any Related Bonds are accelerated. If all Events of Default other than the nonpayment of principal and accrued interest that have become due as a result of such acceleration are remedied, the holders of not less than 51% in aggregate principal amount of all Notes then Outstanding may waive all Events of Default and rescind and annul such acceleration with the consent of all Original Bond Insurers if a violation of a Class A Covenant or a Class B Covenant is involved.

The Master Trustee may institute any actions or proceedings at law or in equity for the collection of the sums due and may collect such sums in the manner provided by law out of the Property of any Member.

Supplements and Amendments to the Master Indenture. The Obligated Group and the Master Trustee may, without the consent of the holders of the Notes, enter into amendments or supplements to the Master Indenture to (a) evidence the admission of a Member to the Obligated Group or the withdrawal of a Member from the Obligated Group in accordance with the provisions of the Master Indenture governing such admission or withdrawal, respectively, (b) evidence the succession of another Person to any Member, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of such Member under the Master Indenture, (c) add additional covenants for the protection of the holders of Notes, (d) assign and pledge additional revenues or other Property as collateral under the Master Indenture, (e) cure any ambiguity or defective provision of the Master Indenture in such manner as is not inconsistent with and does not impair the security of the Master Indenture or adversely affect the holders of Notes, (f) qualify the Master Indenture under the Trust Indenture Act of 1939 or under any similar federal or state statute hereafter enacted, (g) amend the Master Indenture in any other respect which, in the judgment of the Master Trustee, is not to the detriment of the holders of the Notes and (h) set forth any or all matters necessary in connection with the issuance of Additional Notes. No supplemental indenture entered into pursuant to the foregoing clause (e) or (g) shall be effective without the consent of all the Original Bond Insurers.

The Obligated Group and the Master Trustee may, with the consent of the holders of not less than 51% in aggregate principal amount of the outstanding Notes and with the consent of all Original Bond Insurers, otherwise amend or supplement the Master Indenture, subject to the provisions contained in the Master Indenture, but no such amendment or supplement shall (a) effect a change in the times, amounts or currency of payment of the principal of, premium, if any, or interest on any Note or a reduction in the principal amount or redemption price of any Note or the rate of interest thereon, (b) reduce the aforesaid percentage of Notes the holders of which are required to consent to any such amendment or supplement, (c) permit the preference or priority of any Note or Notes over any other Note or Notes, without the consent of the holders of all Outstanding Notes or (d) amend the Master Indenture to permit Sunbelt to withdraw from the Obligated Group. For purposes of obtaining consents, each holder of a Related Bond is deemed to be a Noteholder to the extent of Related Bonds held.

ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF FSA

General. The Series 2005E-H Supplemental Indentures and the Series 2006A Supplemental Indenture contain certain covenants and restrictions for the benefit of FSA (the "FSA Covenants") that apply in addition to, and not in substitution for, the terms and provisions of the Master Indenture. The FSA Covenants are enforceable by the Master Trustee and are only applicable (a) during the period any Series 2006A Bonds are Outstanding under the Series 2006A Bond Indenture and FSA has not lost its consent rights pursuant to the Series 2006A Bond Indenture, including, but not limited to, the loss of such rights in connection with the cancellation of the Series 2006A Bond Insurance Policy, and (b) during the period FSA is an Original Bond Insurer with respect to any other Related Bonds and is not in default of its payment obligations under any bond insurance policy or financial guaranty bond relating to any such Related Bonds. Any one or more of the FSA Covenants may be modified, amended or waived at any time with the prior written consent of FSA and without the consent of the Master Trustee, the Series 2006A Bond Trustee, any bond trustee for Related Bonds, any holder of any Series 2006A Note issued under the Series 2006A Supplemental Indenture or any other Notes, any owner of any Series 2006A Bonds or any other Related Bonds (including the Series 2009C Bonds described in this Official Statement) or any other Person. A failure to comply with any of the FSA Covenants shall constitute an Event of Default under the Master Indenture.

The bond insurance policies of FSA securing the bonds described in the Series 2005E-H Supplemental Indentures were cancelled in December, 2008, and FSA no longer has any rights with respect to such bonds, but the FSA Covenants described in the Series 2005E-H Supplemental Indentures will continue to be applicable (to the extent relevant), and enforceable by the Master Trustee, because FSA is an Original Bond Insurer with respect to certain other Related Bonds and is not in default of its payment obligations under the bond insurance policies relating to such Related Bonds.

The FSA Covenants are summarized below.

Additional Definitions. The following defined terms apply only to the provisions summarized under this caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF FSA." Other terms which are capitalized herein but not defined herein shall have the meanings assigned to them in the Master Indenture or the Series 2006A Supplemental Indenture.

"Cushion Ratio" means, as of any date, (a) Combined Unrestricted Cash and Investments of the Obligated Group as of the end of the most recent Fiscal Year for which audited financial statements are available divided by (b) Combined Maximum Annual Debt Service Requirement on all Combined Covered Debt.

"Days of Operating Expenses" means, for any period, (a) Combined Operating Expenses of the Obligated Group for such period divided by (b) the number of days in such period.

"Debt Service Coverage Ratio" means, for any period, (a) Combined Net Income Available for Debt Service for such period divided by (b) Combined Maximum Annual Debt Service Requirement on all Combined Covered Debt.

"Debt to Capitalization Ratio" means, as of any date of determination, the ratio of (a) Combined Funded Debt as of such date to (b) Total Capitalization as of such date. For purposes of this definition, Funded Debt shall include the principal amount of any Long-Term Debt guaranteed by the Obligated Group or any Member as follows: (i) 100% if the debt service coverage ratio (calculated in the same manner as the Debt Service Coverage Ratio defined above under this caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF FSA—*Additional Definitions*") of the Primary Obligor is equal to or less than 1.10:1, or if the Obligated Group or a Member has made a payment on such Long-Term Debt pursuant to its guaranty within the three most recent Fiscal Years of the Obligated Group; (ii) 75% if such debt service coverage ratio of the Primary Obligor is greater than 1.10:1 but less than or equal to 1.50:1, (iii) 50% if such debt service coverage ratio of the Primary Obligor is greater than 1.50:1 but less than or equal to 2.00:1 and (iv) 20% if such debt service coverage ratio of the Primary Obligor is greater than 2.00:1.

"Fiscal Year" means each twelve-month period beginning on January 1 of a calendar year and ending on December 31 of such calendar year, or any other period of twelve consecutive full calendar months selected by the Group Representative as the Fiscal Year for the Members.

"FSA" means Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto or assignee thereof.

"Funded Debt" means, with respect to the Obligated Group, the sum of (a) Long-Term Debt of the Obligated Group or of any Member, (b) Short-Term Debt of the Obligated Group or of any Member and (c) guaranties by the Obligated Group or any Member of the Long-Term Debt of any other Person, at 100% of the outstanding principal amount of the Long-Term Debt so guaranteed, but only if the Obligated Group or such Member has made a payment on such Long-Term Debt pursuant to its guaranty within the three most recent Fiscal Years of the Obligated Group. There shall be expressly excluded from any determination of Funded Debt any Long-Term Debt securing Related Bonds that have been legally defeased in accordance with the provisions of the Related Bond Indenture, regardless of whether such Long-Term Debt appears as a liability on the Combined balance sheet of the Obligated Group.

"Historical Debt Service Coverage Ratio" means, for any period, (a) Combined Net Income Available for Debt Service for such period divided by (b) the actual scheduled principal and interest payments required to be made on all Combined Covered Debt during such period.

"Moody's" means Moody's Investors Service, a Delaware corporation, and its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating organization, "Moody's" shall be deemed to refer to any other nationally recognized securities rating organization designated by the Group Representative by notice to the Master Trustee.

"Net Assets Balance" means, as of any date in respect of the Obligated Group, the difference between (a) Combined Total Assets and (b) Combined Total Liabilities.

"Net Income Available for Debt Service" shall have the meaning set forth in the Master Indenture, except that such term as used under this caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF FSA" shall not include any gain or loss being amortized in computing income resulting from the termination of any Hedging Transaction.

"Operating Expenses" means those expenses classified as operating expenses in the annual audited or interim unaudited quarterly, as applicable, financial statements of the Obligated Group; provided, however, that Operating Expenses (a) shall not include depreciation, amortization and non-cash expenses (such as, but not limited to, write-offs of property, plant or equipment, curtailment of a pension plan/post retirement plan, gain or loss on property and equipment disposals, extraordinary item gains or losses, and gain or loss on the refunding of debt) and (b) shall include interest expense on any outstanding debt of the Obligated Group and the Obligated Group's allowance for bad or uncollectible debt.

"Primary Obligor" has the meaning set forth in subparagraph (d) under the caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF FSA - *Calculation of Debt Service Requirements*" in this Appendix C.

"Series 2005E-H Supplemental Indentures" means Supplemental Indenture Number 139 dated as of December 1, 2005, Supplemental Indenture Number 140 dated as of December 1, 2005, Supplemental Indenture Number 141 dated as of December 1, 2005, and Supplemental Indenture Number 142 dated as of December 1, 2005, each among the Obligated Group and the Master Trustee and each supplementing the Master Indenture.

"Series 2006A Bond Indenture" means the Trust Indenture dated as of March 1, 2006, between the Authority and the Series 2006A Bond Trustee, and all amendments and supplements thereto, providing for the issuance of the Series 2006A Bonds.

"Series 2006A Bond Insurance Policy" means the insurance policy issued by FSA guaranteeing the scheduled payment of the principal of and interest on the Series 2006A Bonds when due.

"Series 2006A Bonds" means one or more of the Authority's $85,955,000 aggregate principal amount of Hospital Revenue Refunding Bonds, Series 2006A (Adventist Health System/Sunbelt Obligated Group).

"Series 2006A Bond Trustee" means U.S. Bank National Association, a national banking association, as bond trustee under the Series 2006A Bond Indenture, and any successor bond trustee under the Series 2006A Bond Indenture.

"Series 2006A Notes" means the particular note or notes issued under the Series 2006A Supplemental Indenture and the Master Indenture to evidence the loans made to the respective borrowers from the proceeds of the Series 2006A Bonds.

"Series 2006A Supplemental Indenture" means Supplemental Indenture Number 145 dated as of March 1, 2006, between the Obligated Group and the Master Trustee, supplementing the Master Indenture.

"S&P" means Standard & Poor's Ratings Service, a division of The McGraw-Hill Companies, a New York corporation, and its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating organization, "S&P" shall be deemed to refer to any other nationally recognized securities rating organization designated by the Group Representative by notice to the Master Trustee.

"Swap Contract" means (a) any and all swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, cap transactions, floor transactions, collar transactions or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. This definition applies only to the

foregoing types of transactions and agreements entered into in order to hedge the interest payable on all or a portion of any indebtedness for borrowed money of any Member or of the Obligated Group.

"Total Assets" means, as of any date in respect of the Obligated Group, the aggregate book value of the assets of the Obligated Group as of such date.

"Total Capitalization" means, as of any date in respect of the Obligated Group, the sum of (a) Combined Funded Debt and (b) Combined Net Assets Balance.

"Total Liabilities" means, as of any date in respect of the Obligated Group, without duplication, all Funded Debt and liabilities of the Obligated Group which are shown as liabilities on the Combined balance sheet of the Obligated Group.

"Transaction Test" means that, in connection with a proposed transaction:

(a) no Event of Default or event which, with the passage of time or the giving of notice or both, would become an Event of Default, shall then exist;

(b) either (i) the Debt Service Coverage Ratio for the most recent Fiscal Year of the Obligated Group for which audited financial statements are available, calculated as if such transaction had occurred at the beginning of such Fiscal Year, is greater than the actual Debt Service Coverage Ratio of the Obligated Group for such Fiscal Year or is at least 2.5:1, or (ii) after giving effect to such transaction, the Debt Service Coverage Ratio for the most recent Fiscal Year of the Obligated Group for which audited financial statements are available is at least 75% of the actual Debt Service Coverage Ratio of the Obligated Group for such Fiscal Year; and

(c) the Obligated Group would be able to issue $1.00 of additional Long-Term Debt pursuant to the provisions of the Master Indenture summarized above under clause (D) of the caption "THE NOTES AND THE MASTER INDENTURE—*Permitted Indebtedness*" and under the caption "THE NOTES AND THE MASTER INDENTURE—*Class B Covenants: Permitted Indebtedness Generally*."

"Unrestricted Cash and Investments" means the sum of (a) cash, cash equivalents and investments held by the Obligated Group, which if for the benefit of any joint venture may be included only if the Obligated Group maintains at least 50.1% control of such joint venture; (b) marketable securities of the Obligated Group (including long-term and short-term investments); and (c) board-designated funds and funded depreciation of the Obligated Group; provided, however, that "Unrestricted Cash and Investments" shall not include the following: debt service funds; construction funds; debt service reserve funds; malpractice funds; litigation and self-insurance and captive insurer reserves to the extent they have been funded with cash; pension and retirement funds; the amount realized from the sale or factoring of accounts receivable; or collateral required to be posted pursuant to any Swap Contracts; and provided further, that the outstanding principal amount of any Short-Term Debt shall be deducted from the calculation of "Unrestricted Cash and Investments" unless:

(i) there exists a firm refinancing commitment with respect to such Short-Term Debt from a qualified financial institution rated at least "A-" by S&P and "A3" by Moody's and such commitment provides for repayment over a term greater than one year;

(ii) the Obligated Group has unused availability with respect to such Short-Term Debt under the long-term portion of its syndicated credit facility or other similar facility and such facility or facilities have more than one year of term left from the date as of which "Unrestricted Cash and Investments" is then being calculated; or

(iii) such Short-Term Debt was incurred for acquisitions, mergers or major capital projects for the Obligated Group pending placement of long-term financing.

Additional Provisions Regarding Permitted Liens. The first sentence of the provisions of the Master Indenture summarized above under the caption "THE NOTES AND THE MASTER INDENTURE—*Permitted Liens*" shall be deemed to read in its entirety as follows:

Except for Permitted Encumbrances, each Member will not create or suffer or permit to exist any lien, charge, encumbrance or security interest on or in any of its Property, including, without limitation, its accounts, as defined in Article 9 of the Florida Uniform Commercial Code, and its Unrestricted Cash and Investments.

In addition to the covenants contained in the provisions of the Master Indenture summarized above under the captions "THE NOTES AND THE MASTER INDENTURE—*Permitted Liens*" and "DEFINITIONS OF CERTAIN TERMS—*Permitted Encumbrances--Class B Covenant: Permitted Encumbrances*," the Obligated Group further agrees that no lien, charge, encumbrance or security interest of the types described in subparagraph (g), (h), (i) or (k) of the definition of Permitted Encumbrances may be created unless, at time of such creation and after giving effect thereto:

(a) the aggregate principal amount of indebtedness secured by Permitted Encumbrances of the types described in subparagraphs (g), (h), (i), (j) and (k) of the definition of "Permitted Encumbrances" is not in excess of the lesser of (i) 25% of the Combined Adjusted Annual Revenue of the Obligated Group for the most recent Fiscal Year for which audited financial statements are available and (ii) the greater of (A) 25% of net property, plant and equipment of the Obligated Group as of the end of the most recent Fiscal Year for which audited financial statements are available and (B) $720,000,000; and

(b) the Obligated Group would then be able to issue $1.00 of additional Long-Term Debt pursuant to the provisions of the Master Indenture summarized above under clause (D) of the caption "THE NOTES AND THE MASTER INDENTURE—*Permitted Indebtedness*" and under the caption "THE NOTES AND THE MASTER INDENTURE—*Class B Covenants: Permitted Indebtedness Generally*."

References to subparagraph (k) hereinabove in this caption shall refer to such subparagraph (k) as amended by the provisions of the Master Indenture summarized above under the caption "DEFINITIONS OF CERTAIN TERMS—*Permitted Encumbrances--Class B Covenant: Permitted Encumbrances.*"

Rates and Charges. In addition to the covenants contained in the provisions of the Master Indenture summarized above under the captions "THE NOTES AND THE MASTER INDENTURE—*Rates and Charges*" and "—*Class B Covenants: Rates and Charges*," the Obligated Group further agrees as follows:

(a) The calculations necessary to determine the ratio of the Combined Net Income Available for Debt Service to the Combined Maximum Annual Debt Service Requirement on all Combined Covered Debt for any Fiscal Year shall be based on (i) unaudited financial statements for such Fiscal Year when available (and in no event more than 60 days after the end of such Fiscal Year) and (ii) audited financial statements for such Fiscal Year when available (and in no event more than 120 days after the end of such Fiscal Year);

(b) The determination of the Combined Net Income Available for Debt Service for any Fiscal Year shall be based on the Net Income Available for Debt Service for such Fiscal Year as such term is defined above under the caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF FSA—*Additional Definitions*;"

(c) Any Management Consultant hired pursuant to the provisions of the Master Indenture summarized above under the captions "THE NOTES AND THE MASTER INDENTURE—*Rates and Charges*" and "—*Class B Covenants: Rates and Charges*" shall be acceptable to FSA; the scope of any such Management Consultant's assignment must be acceptable to FSA; and any report of any such Management Consultant shall be delivered to FSA simultaneously with its delivery to the Master Trustee and the Obligated Group. In addition, FSA shall be entitled to consult with any such Management Consultant, to attend any such Management Consultant's briefings with management of the Obligated Group and to receive all interim reports of such Management Consultant; and

(d) If the Debt Service Coverage Ratio for any Fiscal Year, based on the audited financial statements of the Obligated Group for such Fiscal Year, is less than 1.0:1, an Event of Default shall have occurred under the Master Indenture.

Liquidity Covenant. The Obligated Group agrees that it shall maintain Unrestricted Cash and Investments equal to least 60 Days of Operating Expenses (the "Liquidity Requirement") (a) as of each June 30, as reflected on the unaudited financial statements of the Obligated Group as of such June 30, and (b) as of each December 31, as reflected on the audited financial statements of the Obligated Group as of such December 31 (each such June 30 and December 31 being referred to in the Series 2005E-H Supplemental Indentures and the Series 2006A Supplemental Indenture as a "Measurement Date"). The Obligated Group shall deliver to the Master Trustee and FSA not later than (x) 45 days after each June 30 and (y) 120 days after each December 31, an Officer's Certificate of the Group Representative setting forth a calculation of the Liquidity Requirement as of such June 30 or December 31, as the case may be.

Total Debt to Capitalization Ratio. The Obligated Group agrees to maintain a Debt to Capitalization Ratio of the Obligated Group as of the end of each Fiscal Year, as reflected on the audited financial statements of the Obligated Group for such Fiscal Year, of not greater than 0.65:1.0. The Obligated Group shall deliver to the Master Trustee and FSA, not later than 120 days after the end of each Fiscal Year, an Officer's Certificate of the Group Representative setting forth a calculation of the Debt to Capitalization Ratio of the Obligated Group as of the end of such Fiscal Year. In the event that the Officer's Certificate shall disclose that the Debt to Capitalization Ratio required by the preceding sentence is not being maintained, the Obligated Group shall, within 45 days following the delivery of such Officer's Certificate, employ a Management Consultant acceptable to FSA to prepare a report containing recommendations as to changes in the operating policies of the Obligated Group designed to cause such Debt to Capitalization Ratio to be attained as of the end of the then-current Fiscal Year, and the Obligated Group shall follow such recommendations to the extent deemed feasible. A copy of such report (the scope of which shall be satisfactory to FSA) shall be delivered simultaneously to the Master Trustee and FSA. Each Member shall follow the recommendations of the Management Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. No Event of Default shall occur under the Master Indenture if such recommendations are followed, notwithstanding that such Debt to Capitalization Ratio is not subsequently attained, but the Obligated Group shall continue to be obligated to employ such a Management Consultant and obtain such a report in any year where such Officer's Certificate discloses that such Debt to Capitalization Ratio is not being maintained. The failure of the Obligated Group to employ a Management Consultant when required, or to follow such Management Consultant's recommendations, or to attain a Debt to Capitalization Ratio of 0.70:1.0 or less in any Fiscal Year shall constitute an Event of Default under the Master Indenture.

FSA shall be entitled to consult with any such Management Consultant, to attend any such Management Consultant's briefings with management of the Obligated Group and to receive all interim reports of such Management Consultant.

Additional Restrictions on Additional Indebtedness. In addition to the restrictions set forth in the Master Indenture and summarized above under the caption "THE NOTES AND THE MASTER INDENTURE" (including related defined terms), the Obligated Group further agrees that:

(a) it will not incur any additional indebtedness, unless an Officer's Certificate of the Group Representative is delivered to the Master Trustee certifying that (i) the Members are in compliance with the provisions of the Master Indenture as of the date of issuance of such additional indebtedness and (ii) the Debt to Capitalization Ratio of the Obligated Group as of the end of the most recent Fiscal Year for which audited financial statements are available, after giving effect to the issuance of such additional indebtedness and to the application of the proceeds thereof, is not greater than 0.65:1.0;

(b) it will not incur any Short-Term Debt or Subordinated Debt unless an Officer's Certificate of the Group Representative is delivered to the Master Trustee certifying that, after giving effect to the issuance of such Short-Term Debt or Subordinated Debt, the aggregate principal amount of all Short-Term Debt and Subordinated Debt then Outstanding is not in excess of 30% of the Combined Adjusted Annual Revenue of the Obligated Group for the most recent Fiscal Year for which audited financial statements are available; and

(c) the Obligated Group may not guaranty indebtedness of another Person unless, at the time of the giving or making of such guaranty, the Obligated Group satisfies the conditions for the issuance of Long-Term Debt set forth in the Master Indenture and in the Series 2005E-H Supplemental Indentures and the Series 2006A Supplemental Indenture calculated as though the obligations guaranteed were Long-Term Debt of the Obligated Group and calculating the Maximum Annual Debt Service Requirement of such Long-Term Debt as summarized below under clause (d) of the caption "*Calculation of Debt Service Requirements*."

Calculation of Debt Service Requirements. Notwithstanding the definition of "Maximum Annual Debt Service Requirement" contained in the Master Indenture and summarized above under the caption "DEFINITIONS OF CERTAIN TERMS," for purposes of the calculations made under the terms of the Series 2005E-H Supplemental Indentures and the Series 2006A Supplemental Indenture summarized under the caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF FSA," the following shall apply:

(a) the Maximum Annual Debt Service Requirement for Long-Term Debt shall include all principal and interest payments, including capitalized leases and Guaranteed Debt (calculated in accordance with the provisions of subparagraph (d) below) of at least one year in duration;

(b) the Maximum Annual Debt Service Requirement for Balloon Debt may be calculated pursuant to any of the following mechanisms: (i) if an irrevocable commitment from a credit facility the provider of which is rated at least "P1" by Moody's or "A1" by S&P is in effect to pay the Balloon Debt when it comes due, then the terms of the contractual obligation to repay the provider of such credit facility may be used, (ii) if the Balloon Debt is subject to prior amortization payments and the verification of timely installment payments are contained in the most recently available audited financial statements of the Obligated Group, then such amortization payments may be used, or (iii) amortization may be assumed on a level debt service basis over a twenty-five year period at an interest rate equal to the most recently published Revenue Bond Index (as defined in the Master Indenture and summarized above under the caption "DEFINITIONS OF CERTAIN TERMS"). Notwithstanding the foregoing, the full amount of any Balloon Debt shall be included in the applicable calculation if such calculation is being made within 12 months prior to the actual maturity date of such Balloon Debt and no credit facility meeting the requirements set forth above in this subparagraph (b) is then in effect;

(c) the Maximum Annual Debt Service Requirement for all indebtedness bearing interest at a rate that can vary (other than Balloon Debt) shall be calculated by assuming that such indebtedness bears interest at a fixed rate equal to the most recently published Revenue

Bond Index (as defined in the Master Indenture and summarized above under the caption "DEFINITIONS OF CERTAIN TERMS") ; and

(d) in determining the Maximum Annual Debt Service Requirement for Guaranteed Debt, the Obligated Group shall include 100% of the debt service on the Guaranteed Debt for the two Fiscal Years following any Fiscal Year in which the Obligated Group has made any payments on behalf of the obligor on the debt so guaranteed (the "Primary Obligor"). If the provisions of the immediately preceding sentence do not apply, then the applicable percentage of the debt service on the debt so guaranteed to be included by the Obligated Group shall be calculated as follows: (i) 100% if the debt service coverage ratio (calculated in the same manner as the Debt Service Coverage Ratio defined above under the caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF FSA—*Additional Definitions*") of the Primary Obligor is equal to or less than 1.10:1, (ii) 75% if such debt service coverage ratio of the Primary Obligor is greater than 1.10:1 but less than or equal to 1.50:1, (iii) 50% if such debt service coverage ratio of the Primary Obligor is greater than 1.50:1 but less than or equal to 2.00:1 and (iv) 20% if such debt service coverage ratio of the Primary Obligor is greater than 2.00:1.

Additional Restrictions on Transfers of Assets. In addition to the restrictions set forth in the provisions of the Master Indenture summarized above under the captions "THE NOTES AND THE MASTER INDENTURE—*Transfers of Property*" and "—*Class B Covenants: Transfer of Property; Florida Hospital*," each Member further agrees that:

(a) it will not dispose of, transfer or loan to any Person that is not a Member any Unrestricted Cash and Investments unless after giving effect to all such dispositions, transfers or loans during a Fiscal Year, Unrestricted Cash and Investments:

(i) would not decline by more than 20% of Unrestricted Cash and Investments as of the end of the most recent Fiscal Year for which audited financial statements are available; and

(ii) would be no less than the greater of (A) a dollar amount equal to 90 Days of Operating Expenses, calculated as of the end of the most recent Fiscal Year for which audited financial statements are available, and (B) a dollar amount equal to 90 Days of Operating Expenses, calculated as of the date of such disposition, transfer or loan; and

(b) it will not in any Fiscal Year sell, lease or otherwise dispose of (i) real or personal Property with a Book Value in excess of 3% of the Book Value of the property, plant and equipment of the Obligated Group as of the end of the most recent Fiscal Year for which audited financial statements are available or (ii) any programs or services that accounted for more than 3% of Combined Adjusted Annual Revenue for the most recent Fiscal Year for which audited financial statements are available unless:

(A) an Officer's Certificate of the Group Representative is delivered to the Master Trustee certifying that:

(I) such sale, lease or other disposition is for fair market value; or

(II) the asset, program or service is inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary;

and in either case that such sale, lease or other disposition will not impair the structural soundness, efficiency or economic value of the remaining assets, programs or services of such Member; or

(B) in connection with any such proposed sale, lease or other disposition:

(I) no Event of Default or event which, with the passage of time or the giving of notice or both, would become an Event of Default, shall then exist; and

(II) either (y) the Debt Service Coverage Ratio for the most recent Fiscal Year of the Obligated Group for which audited financial statements are available, calculated as if such sale, lease or other disposition had occurred at the beginning of such Fiscal Year, is greater than the actual Debt Service Coverage Ratio of the Obligated Group for such Fiscal Year or is at least 2.5:1, or (z) after giving effect to such transaction:

(aa) the Debt Service Coverage Ratio for the most recent Fiscal Year of the Obligated Group for which audited financial statements are available is at least 75% of the actual Debt Service Coverage Ratio of the Obligated Group for such Fiscal Year; and

(bb) the Obligated Group would be able to issue $1.00 of additional Long-Term Debt pursuant to the provisions of the Master Indenture summarized above under clause (D) of the caption "THE NOTES AND THE MASTER INDENTURE—*Permitted Indebtedness*" and under the caption "THE NOTES AND THE MASTER INDENTURE—*Class B Covenants: Permitted Indebtedness Generally*."

Additional Restrictions on Consolidation, Merger, Sale or Conveyance. In addition to the restrictions set forth in the provisions of the Master Indenture summarized above under the captions "THE NOTES AND THE MASTER INDENTURE—*Consolidation, Merger, Sale or Conveyance*" and "—*Class B Covenants: Consolidation, Merger, Sale or Conveyance*," each Member further agrees that it will not merge into, or consolidate with, one or more corporations that are not Members, or allow one or more of such corporations to merge into it, or sell or convey all or substantially all of its Property to any Person who is not a Member, or acquire all or substantially all of the assets of any Person who is not a Member, unless after giving effect to the relevant act, the Transaction Test is satisfied.

Additional Restrictions on Entry into and Withdrawal from the Obligated Group. In addition to the restrictions set forth in the provisions of the Master Indenture summarized above under the captions "THE NOTES AND THE MASTER INDENTURE—*Admission to the Obligated Group,*" "—*Withdrawal from the Obligated Group*" and "—*Class B Covenants: Withdrawal from the Obligated Group*," each Member further agrees that no Person may become a Member pursuant to the provisions of the Master Indenture summarized above under the caption "THE NOTES AND THE MASTER INDENTURE—*Admission to the Obligated Group,*" and no Person may cease to be a Member pursuant to the provisions of the Master Indenture summarized above under the caption "THE NOTES AND THE MASTER INDENTURE—*Withdrawal from the Obligated Group,*" unless after giving effect to such entry or withdrawal, the Transaction Test is satisfied.

In addition, no Member may withdraw from the Obligated Group if the total revenues of such Member in the most recent Fiscal Year for which audited financial statements are available exceeded 20% of the total revenues of the Obligated Group in such Fiscal Year without the consent of FSA.

Additional Requirements with respect to Insurance. In addition to the provisions of the Master Indenture summarized above under the captions "THE NOTES AND THE MASTER INDENTURE—*Insurance*" and "—*Class B Covenants: Insurance,*" each Member further agrees that:

(a) all insurance shall be maintained in accordance with prevailing industry practices as to carriers, deductibles and coverages; and the review and approval of an Independent Insurance Consultant required pursuant to the provisions of the Master Indenture summarized above under the caption "THE NOTES AND THE MASTER INDENTURE—*Insurance*" shall, in every other year commencing in 2007 with respect to all insurance other than self-insurance, and in every year with respect to self-insurance, confirm compliance with such prevailing industry practices;

(b) the Obligated Group may be self-insured only to the extent permitted by clause (b) of the provisions of the Master Indenture summarized above under the caption "THE NOTES AND THE MASTER INDENTURE—*Class B Covenants: Insurance;*" provided, however, that reasonable deductibles reviewed by the Independent Insurance Consultant in its annual review shall be permitted.

Provisions relating to Damage, Destruction and Condemnation. The Obligated Group agrees that any proceeds received by any Member as a result of the damage, destruction or condemnation of any Property of the Obligated Group that would prevent the Obligated Group from satisfying the Transaction Test (treating such damage, destruction or condemnation as a disposition of Property) shall be applied either to (a) repair or replace the damaged, destroyed or condemned Property or (b) redeem Related Bonds. If the Obligated Group determines to redeem any Related Bonds pursuant to the foregoing provisions and such Related Bonds are insured by

FSA, the selection of such Related Bonds shall be made by the Group Representative, subject to approval by FSA.

Additional Restrictions with respect to Hedging Transactions. In addition to the restrictions contained in the provisions of the Master Indenture summarized above under the caption "THE NOTES AND THE MASTER INDENTURE—*Class B Covenants: Hedging Transactions,*" relating to Hedging Transactions, the Members shall not enter into Hedging Transactions without the prior written consent of FSA unless the following conditions are met:

(a) the Hedging Transaction must be entered into as a hedge against swaps outstanding (as in basis swaps or reverse swaps), or against indebtedness then Outstanding or to be issued, or as a means of achieving forward transactions, or as a hedge against assets held at the time of the execution of the Hedging Transaction;

(b) the Hedging Transaction shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component;

(c) unless the obligation of the Obligated Group is insured, the net settlement, breakage or other termination amount of uninsured Hedging Transactions then in effect and the Hedging Transaction to be executed, determined at the time of execution and delivery of the Hedging Transaction to be executed, would not result in Unrestricted Cash and Investments equal to less than 75 Days of Operating Expenses;

(d) the counterparty to the Hedging Transaction or its guarantor must have a rating of at least "A-" by S&P or "A3" by Moody's; and

(e) the documents evidencing the Hedging Transaction shall provide that it will not terminate without the consent of the Obligated Group for events related to the counterparty.

The foregoing requirements apply only to Hedging Transactions that (i) are entered into in order to hedge the interest payable or to be payable on all or a portion of any indebtedness for borrowed money of any Member or of the Obligated Group and (ii) are entered into after December 22, 2005.

Additional Provisions with respect to Deposit of Gross Revenues. In addition to the provisions of the Master Indenture summarized above under the caption "THE NOTES AND THE MASTER INDENTURE—*Pledge of Accounts and Gross Revenues and Deposit of Gross Revenues,*" the Obligated Group further agrees that the daily deposit of its Gross Revenues pursuant to such provisions of the Master Indenture shall occur upon a violation by the Obligated Group, or any Member, of any provision of the Series 2005E-H Supplemental Indentures or the Series 2006A Supplemental Indenture summarized under the caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF FSA." If the Obligated Group is in default in the payment of principal of or interest on any Note, no disbursements of Gross Revenues by the Master Trustee after any such deposit with the Master Trustee may be made without the prior written consent of FSA.

FSA Deemed Holder of the Series 2006A Notes for Certain Purposes. For purposes of consents, approvals and direction of remedies (except with respect to any supplement to the Master Indenture proposed to be entered into for any purpose described in clauses (a) through (c) of the second paragraph of the provisions of the Master Indenture summarized above under the caption "THE NOTES AND THE MASTER INDENTURE—*Supplements and Amendments to the Master Indenture"*), FSA shall be deemed to be the holder of the Series 2006A Notes, unless FSA is insolvent or is in default of its payment obligations under the Series 2006A Bond Insurance Policy, in which case the Series 2006A Notes shall be disregarded and each holder of a Series 2006A Bond shall be deemed to hold such a related Series 2006A Note in a principal amount equal to the aggregate principal amount of related Series 2006A Bonds held by such holder, all as provided in the Master Indenture.

Amendment of Covenants. As provided in the Master Indenture, no Class B Covenant may be amended, nor may the performance of any Class B Covenant be waived, without the written consent of all Original Bond Insurers, which includes FSA.

Funding of Debt Service Reserve Funds for the Series 2006A Bonds. The Obligated Group agrees that it will deposit an amount equal to the Debt Service Reserve Fund Requirement (as set forth in clause (b) of the definition thereof in each of the Series 2006A Bond Indenture) into the Debt Service Reserve Funds established under the Series 2006A Bond Indenture upon the first to occur of the following events:

(a) (i) the Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.75:1.0, and (ii) the Historical Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year is less than 2.00:1.0;

(b) the Cushion Ratio as of the end of any Fiscal Year is less than 2.00:1.0; and

(c) Unrestricted Cash and Investments as of the end of any Fiscal Year is less than 90 Days of Operating Expenses. Such amounts will be so deposited into the Debt Service Reserve Funds not more than 150 days after the end of the Fiscal Year with respect to which such event has occurred.

Financial Reporting. The Obligated Group agrees that it will provide certain items to FSA or its agents at the times indicated in the Series 2005E-H Supplemental Indentures and the Series 2006A Supplemental Indenture.

Mandatory Conversion of Certain Series 2006A Bonds. The Series 2006A Supplemental Indenture also contains the following covenant: so long as the Series 2006A Bonds bear interest at a Multi-Mode Rate and are supported by the Series 2006A Bond Insurance Policy, if (i) the Liquidity Facility Provider for such Series 2006A Bonds fails to purchase such Series 2006A Bonds tendered for purchase on a Mandatory Tender Date or Optional Tender Date therefor, (ii) the then-current Liquidity Facility for the Series 2006A Bonds is not replaced or extended prior to the Renewal Date therefor, (iii) any Series 2006A Bonds are held as Pledged Bonds for sixty (60) consecutive days, (iv) any Series 2006A Bonds tendered for purchase on a Mandatory

Tender Date or Optional Tender Date therefor are not remarketed for seventy (70) consecutive days after such Mandatory Tender Date or Optional Tender Date, as applicable, or (v) Pledged Bonds bear interest at the maximum allowable interest rate under the Liquidity Facility for the Series 2006A Bonds, the Obligated Group agrees to use its best efforts to convert such Series 2006A Bonds to operate in a Fixed Rate Period pursuant to the provisions of the Series 2006A Bond Indenture or to ARS Rate Bonds pursuant to the provisions of the Series 2006A Bond Indenture, unless FSA shall otherwise direct.

ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF MBIA

General. The Series 2007D Supplemental Indenture contains certain covenants and restrictions (the "MBIA Covenants") for the benefit of MBIA that apply in addition to, and not in substitution for, the terms and provisions of the Master Indenture. The MBIA Covenants are identical in all material respects to the FSA Covenants, as summarized above in this APPENDIX C under the caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF FSA", except as follows:

(a) references to the "Series 2005E-H Supplemental Indentures" contained under such caption shall be read and interpreted as meaning the "Series 2007D Supplemental Indenture," respectively, as such term is hereafter defined in this APPENDIX C;

(b) references to "FSA" contained under such caption shall be read and interpreted as meaning "MBIA," as such term is hereafter defined in this APPENDIX C; and

(c) the provision relating to the liquidity covenant described above under such caption has been deleted from the Series 2007D Supplemental Indenture and replaced in its entirety with the provision described below under the caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF MBIA -- Liquidity Covenant."

The MBIA Covenants are enforceable by the Master Trustee and are only applicable during the period MBIA is an Original Bond Insurer with respect to any Related Bonds and is not in default of its payment obligations under any bond insurance policy or financial guaranty bond relating to any such Related Bonds. Any one or more of the MBIA Covenants may be modified, amended or waived at any time with the prior written consent of MBIA and without the consent of the Master Trustee, any bond trustee for Related Bonds, any holder of any Notes, any owner of any Related Bonds (including the Series 2009C Bonds described in this Official Statement) or any other Person. A failure to comply with any of the MBIA Covenants shall constitute an Event of Default under the Master Indenture.

The bond insurance policy of MBIA securing the bonds described in the Series 2007D Supplemental Indenture was cancelled in December, 2008, and MBIA no longer has any rights with respect to such bonds, but the MBIA Covenants described in the Series 2007D

Supplemental Indenture will continue to be applicable (to the extent relevant), and enforceable by the Master Trustee, because MBIA is an Original Bond Insurer with respect to certain other Related Bonds and is not in default of its payment obligations under the bond insurance policies relating to such Related Bonds.

Additional Definitions. The following defined terms apply only to the provisions summarized under this caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF MBIA." Other terms which are capitalized herein but not defined herein shall have the meanings assigned to them in the Master Indenture and the Series 2007D Supplemental Indenture.

"MBIA" means, MBIA Insurance Corporation, a New York stock insurance corporation, or any successor thereto or assignee thereof.

"Series 2007D Supplemental Indenture" means Supplemental Indenture Number 159 dated as of August 1, 2007, between the Obligated Group and the Master Trustee, supplementing the Master Indenture.

In addition, the MBIA Covenants also include the following:

Accounts Receivable Program. The Obligated Group further agrees that:

(a) it will maintain all cash generated from sales of its accounts receivable (including sales pursuant to its existing accounts receivable securitization program through the Authority (the "Existing Program")) on its balance sheet;

(b) if it replaces the Existing Program with another similar program, or if it replaces the current bond insurer with another bond insurer or other credit enhancer for the Existing Program, or if it increases the size of the Existing Program, the Obligated Group will (i) maintain the same methodology for calculating the "Advance Rate" (as defined in the Second Amendment to Master Servicing Agreement dated as of October 1, 2004 between the Authority and Sunbelt relating to the Existing Program), (ii) maintain at least 60 Days of Operating Expenses as of each June 30 and December 31, as described below under the caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF MBIA-- Liquidity Covenant," and (iii) maintain at least a "BBB" rating from S&P and a "Baa2" rating from Moody's on its senior Long-Term Debt that is not entitled to the benefit of any credit enhancement; and

(c) if (i) the rating on the senior Long-Term Debt of the Obligated Group that is not entitled to the benefit of any credit enhancement falls below "BBB" from S&P or below "Baa2" from Moody's, or (ii) the Obligated Group fails to maintain at least 65 Days of Operating Expenses as of any June 30 or December 31, as described below under the caption "ADDITIONAL COVENANTS AND RESTRICTIONS UNDER THE MASTER INDENTURE FOR THE BENEFIT OF MBIA -- Liquidity Covenant," any sale or other encumbrance of the accounts receivable of the Obligated Group shall be limited to 15% of the net accounts receivable of the Obligated Group as of the then-most-recent June 30 or December 31; provided, however, that if the Existing Program or another similar program is then in existence and it is necessary to decrease the size thereof to comply with the requirements of this subparagraph (c), the Obligated Group shall use its best efforts to reduce the size of such program or programs as quickly as possible so as to be able to comply with such requirements, but the Obligated Group shall be in compliance with such requirements in any event not more than 90 days after such rating downgrade or such June 30 or December 31, as the case may be.

Put Indebtedness. With respect to any Related Bonds insured by MBIA, the owners of which have the option to tender such Related Bonds for purchase prior to maturity or earlier redemption, such Related Bonds must have the benefit of a liquidity facility providing support for the purchase of any such tendered Related Bonds reasonably satisfactory to MBIA unless (a) the senior Long-Term Debt of the Obligated Group that is not entitled to any credit enhancement is rated not lower than the "A" category by both S&P and Moody's, (b) the Obligated Group maintains cash, cash equivalents and marketable securities, as of each June 30 and December 31, in an amount that is not less than the principal amount of such Related Bonds, and (c) such Related Bonds are rated in the highest short-term rating category by S&P and Moody's.

No insurance policy of MBIA with respect to any such Related Bonds will provide security for payment of the purchase price of any tendered Related Bonds, whether tendered to the Obligated Group or to a liquidity provider.

Reimbursement of Expenses. The Obligated Group agrees to pay, or reimburse MBIA for its payment of, any and all charges, fees, costs and expenses that MBIA may reasonably pay or incur in connection with the following:

(a) the administration, enforcement, defense or preservation of any rights or security under the Master Indenture, including the Series 2007D Supplemental Indenture and certain other related documents (referred to in the Series 2007D Supplemental Indenture collectively as the "Transaction Documents");

(b) the pursuit of any remedies under any Transaction Document or otherwise afforded by law or equity;

(c) any amendment, waiver or other action with respect to any Transaction Document, whether or not executed or completed;

(d) the violation by the Obligated Group of any law, rule, regulation, judgment, order or decree applicable to it;

(e) any advances or payments made by MBIA to cure defaults of the Obligated Group under any Transaction Document; or

(f) any litigation or other dispute arising in connection with any Transaction Document or the transactions contemplated thereby, other than any such litigation or other dispute arising from the failure of MBIA to honor its payment obligations under its related bond insurance policy.

Liquidity Covenant. The Obligated Group agrees that it shall maintain Unrestricted Cash and Investments equal to least 70 Days of Operating Expenses (the "Liquidity Requirement") (a) as of each June 30, as reflected on the unaudited financial statements of the Obligated Group as of such June 30, and (b) as of each December 31, as reflected on the audited financial statements of the Obligated Group as of such December 31 (each such June 30 and December 31 being referred to herein as a "Measurement Date"). The Obligated Group shall deliver to the Master Trustee and MBIA, not later than (i) 45 days after each June 30 and (ii) 120 days after each December 31, an Officer's Certificate of the Group Representative setting forth a calculation of the Liquidity Requirement as of such June 30 or December 31, as the case may be. In the event that the Officer's Certificate shall disclose that the Liquidity Requirement required by the preceding sentence is not being maintained, the Obligated Group shall, within 45 days following the delivery of such Officer's Certificate, employ a Management Consultant acceptable to MBIA to prepare a report containing recommendations as to changes in the operating policies of the Obligated Group designed to cause such Liquidity Requirement to be attained as of the end of the then-current Fiscal Year, and the Obligated Group shall follow such recommendations to the extent deemed feasible. A copy of such report (the scope of which shall be satisfactory to MBIA) shall be delivered simultaneously to the Master Trustee and MBIA. Each Member shall follow the recommendations of the Management Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. No Event of Default shall occur under the Master Indenture if such recommendations are followed, notwithstanding that such Liquidity Requirement is not subsequently attained, but the Obligated Group shall continue to be obligated to employ such a Management Consultant and obtain such a report in any year where such Officer's Certificate discloses that such Liquidity Requirement is not being maintained. The failure of the Obligated Group to employ a Management Consultant when required, or to follow such Management Consultant's recommendations, or to maintain Unrestricted Cash and Investments equal to least 60 Days of Operating Expenses on any Measurement Date shall constitute an Event of Default under the Master Indenture.

MBIA shall be entitled to consult with any such Management Consultant, to attend any such Management Consultant's briefings with management of the Obligated Group and to receive all interim reports of such Management Consultant.

SUMMARY OF CERTAIN PROVISIONS OF SUPPLEMENTAL MASTER INDENTURE NUMBER 176

General. Subject to the provisions of Supplemental Master Indenture Number 176 summarized below under the caption *"Effectiveness of Amendments; Consent to Amendments,"* the Master Indenture will be amended in the following respects:

Amendments to Certain Defined Terms. The terms *"Commercial Paper Debt," "Florida Hospital," "Interim Debt," "Long-Term Debt," "Put Debt," "Short-Term Debt"* and *"Variable Rate Debt"* appearing in the Master Indenture and summarized above in this Appendix C will be amended in their entirety to read as follows:

"Commercial Paper Debt" means indebtedness for borrowed money issued for any purpose in connection with a program of commercial paper, as such term is generally understood, maturing not later than 397 days from the date of issuance thereof. Commercial Paper Debt also constitutes Variable Rate Debt.

"Florida Hospital" means the Hospital Facilities of Sunbelt operating under a single hospital license and located in Orange County, Florida, Osceola County, Florida and Seminole County, Florida.

"Interim Debt" means indebtedness for borrowed money or which has been incurred in connection with the acquisition of assets (other than trade accounts payable and accrued liabilities), whether or not constituting Long-Term Debt.

"Long-Term Debt" means (a) all indebtedness for borrowed money, including indebtedness incurred for refinancing purposes, or which has been incurred in connection with the acquisition of assets (other than trade accounts payable and accrued liabilities), and (b) the capitalized value of the liability under any lease of real or personal property which is properly capitalized on a balance sheet, in each case having a final maturity of more than one year from the date of creation thereof (or which is or may be renewable or extendible at the option of the obligor for a period or periods extending more than one year from the date of creation), but excluding, in each case, any portion thereof which is or may be properly included in current liabilities, as such current liabilities are determined in accordance with generally accepted accounting principles from time to time in effect.

"Put Debt" means indebtedness for borrowed money, whether or not constituting Long-Term Debt, which is payable, or required to be purchased or redeemed, at the option of the holder thereof, prior to its stated maturity date, but shall not include Self-Liquidity Debt."

"Short-Term Debt" means indebtedness for borrowed money having a final maturity of one year or less from the date of creation thereof and not redeemable or extendable at the option of the obligor for a period or periods extending more than one year from the date of creation, as determined in accordance with generally accepted accounting principles from time to time in effect. Commercial Paper Debt shall not constitute Short-Term Debt.

> *"Variable Rate Debt"* means Long-Term Debt bearing interest at any rate that can vary, including Commercial Paper Debt and Self-Liquidity Debt, but not including Letter of Credit Debt or Put Debt.

Addition to Defined Terms. The following definition of "Self-Liquidity Debt" will be added to the Master Indenture:

> *"Self-Liquidity Debt"* means Long-Term Debt bearing interest at any rate that can vary and supported by a commitment from the Obligated Group, but not from a third party, to purchase or redeem such Self-Liquidity Debt upon the tender for purchase or redemption thereof, at the option of the holder thereof, prior to its stated maturity date."

Amendment to Certain Insurance Provisions. The provisions of the Master Indenture summarized above under the caption "THE NOTES AND THE MASTER INDENTURE-Insurance" will be amended in their entirety as follows:

> "Each Member of the Obligated Group agrees to maintain insurance, including self-insurance, with respect to its Property and operations against such casualties and other risks, including medical malpractice, in amounts which are adequate, in its judgment, to protect its Property and operations. Such insurance shall be subject to the annual review and approval of an Independent Insurance Consultant, and such Member shall follow any recommendations of the Independent Insurance Consultant conducting such review to the extent feasible."

Amendment to Certain Provisions Relating to the Delivery of Financial Statements. The provisions of the Master Indenture summarized above under the caption "THE NOTES AND THE MASTER INDENTURE-Financial Statements" will be amended in their entirety as follows:

> "Each Member of the Obligated Group agrees that its fiscal year for external financial reporting purposes will be the same as that of the other Members. In addition, the Obligated Group will, in no event later than 120 days after the end of each fiscal year, file with the Trustee, with any Bond Insurer, with each Noteholder who may have so requested or on whose behalf the Trustee may have so requested and with any nationally recognized investment rating agency then rating Related Bonds supported solely by the credit of the Obligated Group, Combined annual financial statements prepared in accordance with accounting principles generally accepted within the United States of America, accompanied by an opinion of the independent certified public accountants auditing such statements, together with a copy of any

> letter or report from such independent certified public accountants delivered to the Obligated Group in connection with such audit relating to compliance by the Obligated Group with specified provisions of this Indenture."

Effectiveness of Amendments; Consent to Amendments. The amendments to the Master Indenture summarized above under this caption shall become effective upon (i) the consent thereto of the holders of not less than 51% in aggregate principal amount of the Notes Outstanding under the Master Indenture and (ii) the consent of all Original Bond Insurers.

By acceptance of the Series 2009C Notes, the Bond Trustee, as holder of the Series 2009C Notes, is deemed to have consented, on behalf of the owners of the Series 2009C Bonds, to the amendments to the Master Indenture set forth above. Additionally, by purchasing the Series 2009C Bonds from the Underwriters, the initial beneficial owners of the Series 2009C Bonds are deemed to consent, for themselves and for all subsequent owners of the Series 2009C Bonds, to the amendments to the Master Indenture set forth above.

THE BOND INDENTURE

Denominations and Places of Payment, Mandatory Redemptions, Optional Redemptions, Extraordinary Optional Redemptions, Notice of Redemption, Purchase of Bonds and Other Terms of the Series 2009C Bonds. These topics are discussed in the front part of this Official Statement.

The Series 2009C Bonds will initially bear interest at Fixed Interest Rates. On or after the date or dates that the Series 2009C Bonds are permitted to be called for optional redemption pursuant to the provisions of the Bond Indenture, some or all of the Series 2009C Bonds may be converted from operating in an initial Fixed Rate Period to operate in a Flexible, Daily, Weekly, One Month, Six Month, One Year or Multiple Year Rate Period; or may be changed to ARS Rate Bonds bearing interest at auction rates of interest, such conversion or change being at the Obligated Group's discretion or direction. Not less than 15 days prior to any conversion or 10 days prior to any change of the Series 2009C Bonds from an initial Fixed Rate Period commencing on the date of issuance of the Series 2009C Bonds, the Bond Trustee will provide notice of such conversion or change to Bondholders whose Series 2009C Bonds will be converted or changed. The date on which any Series 2009C Bonds are converted or changed will be a mandatory tender date for such Series 2009C Bonds. In addition, prior to any such conversion or change, the Bond Trustee shall have received consent to such conversion or change from the holders of a majority in principal amount of each maturity of the Series 2009C Bonds being converted or changed.

This Official Statement does not discuss interest rates or Rate Periods other than the initial Fixed Interest Rates and the initial Fixed Rate Periods and is intended to be used only for Series 2009C Bonds that are (i) operating in an initial Fixed Rate Period and (ii) not secured by a Support Facility. This Official Statement should not be relied upon in determining whether to purchase Series 2009C Bonds that (i) are not operating in an initial Fixed Rate Period and/or (ii) are secured by a Support Facility. At the time the interest rate

on all or a portion of the Series 2009C Bonds is converted or changed, or if a Support Facility is provided to secure the Series 2009C Bonds, additional disclosure will be provided to the Bondholders purchasing the converted or changed Series 2009C Bonds or the Series 2009C Bonds entitled to the benefit of the Support Facility, as the case may be.

Pledge and Assignment. The Authority will pledge and assign to the Bond Trustee all of its right, title and interest in and to the Notes evidencing the loans being made by the related Loan Agreements, all payments to be made thereon and all of its right, title and interest in and to the Loan Agreements (except the Unassigned Rights) and in and to all moneys held under the Bond Indenture, except for amounts held by the Bond Trustee in the Purchase Funds and the Rebate Fund. The rights of the Authority will be assigned to the Bond Trustee to secure the payment of the Series 2009C Bonds and the performance and observance of the covenants and conditions in the Bond Indenture and the Series 2009C Bonds.

Moneys from time to time in the Revenue Fund, Interest Fund, Bond Sinking Fund, Debt Service Reserve Fund, if funded, Optional Redemption Fund, Multi-Mode Bonds Purchase Fund, and Project Fund will be held by the Bond Trustee thereunder, in trust, for the benefit of the Registered Owners of the Series 2009C Bonds and will be applied as provided in the Bond Indenture.

Series 2009C Bonds Are Limited Obligations. The Bonds, together with interest thereon, shall be limited obligations of the Authority payable solely from the revenues and other amounts derived from the Notes and the Loan Agreements (except to the extent paid out of moneys attributable to Bond proceeds or the income from the temporary investment thereof, and, under certain circumstances, proceeds from insurance and condemnation awards or liquidation of assets in connection therewith) and shall be a valid claim of the respective Registered Owners thereof only against the Funds established under the Bond Indenture and other moneys held by the Bond Trustee for the benefit of the Bonds and the revenues and other amounts derived from the Notes and the Loan Agreements, which revenues and other amounts (except for the Unassigned Rights) are pledged and assigned under the Bond Indenture for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in the Bond Indenture.

Series 2009C Bonds Not a Liability of the State of Kansas or Any Political Subdivision Thereof. The Bonds shall not be deemed to constitute a debt or liability of the State of Kansas or of any political subdivision thereof within the meaning of any State of Kansas constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of Kansas or of any political subdivision thereof or of the Authority, but shall be payable solely from and out of the exclusive sources of the Bonds and shall otherwise impose no liability whatsoever, primary or otherwise, upon the State of Kansas or any charge upon its general credit or taxing power.

Application of Series 2009C Bond Proceeds. Upon the issuance and delivery of the Series 2009C Bonds, the Authority will deposit the net proceeds from the sale thereof with the Bond Trustee to be applied under the Bond Indenture approximately as set forth in the forepart of this Official Statement under the caption "ESTIMATED SOURCES AND USES OF FUNDS."

Project Fund. Moneys on deposit in the Project Fund may be released to any Borrower upon the Written Request of the Obligated Group therefor, to pay, or reimburse such Borrower for, the cost of the portion of the Project relating to the Facilities of such Borrower. Any such Written Request shall specify the costs of the portion of the Project for which payment or reimbursement is being requested and the particular Borrower with respect to whom such payment or reimbursement is being made. Pending such disbursement, moneys in the Project Fund shall be invested only in Qualified Investments maturing no later than the date on which it is anticipated that such moneys will be disbursed, in each case only upon the Written Request of the Obligated Group and subject always to the provisions of the Tax Exemption Agreement. All income from such investments shall be deposited in the Project Fund.

Substituted Projects. Any Borrower may elect to pay, or be reimbursed for its prior payment of, the cost of any buildings, improvements or equipment from Series 2009C Bond proceeds in substitution of any portion of the Project relating to its Facilities (the "Substituted Project"), provided that the Authority and the Bond Trustee receive an opinion of Bond Counsel to the effect that such substitution will not adversely affect the validity or enforceability of the Series 2009C Bonds or any exemption from federal income taxation to which interest on the Series 2009C Bonds would otherwise be entitled.

Funds; Disposition of Revenues. The Bond Indenture provides for the creation of a Revenue Fund. Except as specifically provided in the Bond Indenture, all revenues from the Notes evidencing the loans of the proceeds of the Series 2009C Bonds and from the Loan Agreements and all transfers from the Rebate Fund, as and when received by the Bond Trustee, shall be deposited in the Revenue Fund, except as otherwise provided in the Bond Indenture or the Loan Agreements, and shall be held therein until disbursed as provided in the Bond Indenture. Beginning at the times indicated below, the Bond Trustee will make transfers from the Revenue Fund to the Interest Fund and the Bond Sinking Fund in that order, as described below.

The following special funds are created by the Bond Indenture:

1. *Interest Fund.* (A) Under the Bond Indenture, the Authority does establish with the Bond Trustee, and the Bond Trustee shall maintain so long as any of the Bonds are outstanding, a separate account to be known as the "Interest Fund" (the "Interest Fund"). On each Interest Payment Date, the Bond Trustee shall deposit in the Interest Fund from the Revenue Fund moneys in an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the interest becoming due on the Bonds on such date.

(B) Moneys on deposit in the Interest Fund, other than income thereon which is to be transferred to other funds under the Bond Indenture, must be used to pay interest on the Bonds as it becomes due.

2. *Bond Sinking Fund.* (A) Under the Bond Indenture, the Authority does establish with the Bond Trustee, and the Bond Trustee shall maintain so long as any of the Bonds are outstanding, a separate account to be known as the "Bond Sinking

Fund" (the "Bond Sinking Fund"). On each Principal Payment Date, after making the deposit required to the Interest Fund, the Bond Trustee shall deposit in the Bond Sinking Fund from the Revenue Fund moneys in an amount which, together with any moneys already on deposit in the Bond Sinking Fund and available to make such payment is not less than the principal becoming due on the Bonds on such date.

(B) In lieu of payment at maturity the Bond Trustee may, at the request of the Obligated Group, purchase Bonds in the open market from funds on deposit in the Bond Sinking Fund at prices not exceeding the principal amount of the Bonds being purchased plus accrued interest. The amount of Bonds to be paid on any Principal Payment Date shall be reduced by the principal amount of Bonds required to be redeemed or paid on such Principal Payment Date which are so acquired by the Obligated Group and delivered to the Bond Trustee for cancellation.

3. *Debt Service Reserve Fund*. Under the Bond Indenture, the Authority does establish with the Bond Trustee, and the Bond Trustee shall maintain so long as any of the Bonds are outstanding, a separate account to be known as the "Debt Service Reserve Fund" (the "Debt Service Reserve Fund"). **No deposit is being made to the Debt Service Reserve Fund on the Closing Date from Bond proceeds or from any other funds.** The Obligated Group may, in its sole discretion, determine at a later date to deposit funds into the Debt Service Reserve Fund to provide additional security for the Bonds (such deposit being referred to herein as a "Reserve Fund Deposit").

Any funds on deposit in the Debt Service Reserve Fund shall be used to make up any deficiencies in the Interest Fund and the Bond Sinking Fund (in the order listed). Any funds so used must be repaid by the Borrowers no later than 12 months from the date thereof in not more than 12 substantially equal monthly installments.

If the Obligated Group determines to make a Reserve Fund Deposit, the moneys on deposit in the Debt Service Reserve Fund shall at all times be maintained at an amount not less than the Debt Service Reserve Fund Requirement. On the first Business Day of each March, June, September and December, beginning on the first such date to occur after the Reserve Fund Deposit, while any Series 2009C Bonds are outstanding, the Bond Trustee will determine the aggregate market value on such date of the Qualified Investments then held in the Debt Service Reserve Fund. If such market value, together with any cash then held in said Fund, is less than the Debt Service Reserve Fund Requirement, the Bond Trustee will immediately notify the Obligated Group of the amount of such deficiency, and the Borrowers are required within 30 days thereafter, to deliver to the Bond Trustee for deposit into the Debt Service Reserve Fund cash in the amount of, or securities having a market value on the date of such delivery equal to or not less than the amount of, such deficiency, with certain limits and credits, as set forth in their respective Loan Agreements. If the market value of the securities on deposit in the Debt Service Reserve Fund on any valuation date, together with any cash then held therein, exceeds the Debt Service Reserve Fund Requirement, such excess will be deposited as described under "*Investment of Funds*" below; *provided, however,* that to the extent such excess is due to an increase in the market value of securities on deposit in such Debt Service Reserve Fund, no securities shall be sold and such excess shall not be transferred, unless otherwise directed by the Obligated Group in a Written Request filed with the Bond Trustee, so long as all Qualified Investments in the Debt Service Reserve Fund consist of the following securities ("Non-AMT Bonds"): (i) obligations described in clauses C or D of the definition of "*Qualified Investments*" in the Bond Indenture the interest on which is not includable in the gross income of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; or (ii) shares of money market funds or mutual funds described in clauses E or F of the definition of *"Qualified Investments"* in the Bond Indenture and at least 95 percent of the income from such shares is interest not includable in the gross income of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code. No deficiency shall be deemed to have occurred within the meaning of this paragraph if moneys have been transferred to the Interest Fund or the Bond Sinking Fund from the Debt Service Reserve Fund and the Borrowers are repaying the same pursuant to the provisions of their respective Loan Agreements. Funds on deposit in the Debt Service Reserve Fund shall not be considered property of any debtor's estate in the event of the bankruptcy of any Borrower or of any Affiliate of any Borrower.

4. *Redemption Fund*. In the event of (i) the redemption of any Note by the Obligated Group, (ii) the receipt by the Bond Trustee of condemnation, sale or insurance proceeds for purposes of redeeming Bonds or (iii) the deposit with the Bond Trustee by the Obligated Group or the Authority of moneys from any other source for redeeming Bonds pursuant to the provisions of the Bond Indenture, all such funds shall, except as otherwise provided in the Bond Indenture be deposited in the Redemption Fund. Moneys on deposit in the Redemption Fund shall be used first to make up any deficiencies existing in the Interest Fund and the Bond Sinking Fund (in the order listed) and second for the purchase or redemption of Bonds in accordance with the provisions of the Bond Indenture.

5. *Multi-Mode Bonds Purchase Fund.* The Multi-Mode Bonds Purchase Fund established under the Bond Indenture shall be held in trust by the Bond Trustee exclusively for the benefit of, and subject to a security interest in favor of, the former Registered Owners of Mandatorily Tendered Multi-Mode Bonds (which can include the Bonds as initially issued upon any mandatory tender after the no call period set forth in the Bond Indenture and summarized in the forepart of this Official Statement under the caption "THE SERIES 2009C BONDS -- Redemption -- Optional Redemption") who have not received the Tender Price therefor. Upon (i) the receipt of the proceeds of a remarketing or placement of Mandatorily Tendered Multi-Mode Bonds on a Mandatory Tender Date (other than a Conversion Date), (ii) the receipt of proceeds from the remarketing, sale or placement of Mandatorily Tendered Multi-Mode Bonds on a Conversion Date or (iii) the receipt of moneys from any Member of the Obligated Group in connection with its obligation to provide funds on any Mandatory Tender Date if not provided from another source, it shall be the duty of the Bond Trustee to deposit such money in the Multi-Mode Bonds Purchase Fund for the payment to the former Registered Owner of a Multi-Mode Bond of the Tender Price for such Multi-Mode Bond; provided

that (a) any such moneys received from a remarketing agent shall be deposited and retained in a segregated subaccount of the Multi-Mode Bonds Purchase Fund and not commingled with any other moneys in the Multi-Mode Bonds Purchase Fund, (b) any such moneys received from any Member of the Obligated Group shall be deposited and retained in a segregated subaccount of the Multi-Mode Bonds Purchase Fund and not commingled with any other moneys in the Multi-Mode Bonds Purchase Fund and (c) no other amounts, including any amounts received directly or indirectly from the Authority, any Member of the Obligated Group (other than as described above), or any Insider, shall be deposited in the Multi-Mode Bonds Purchase Fund. Any Registered Owners of Mandatorily Tendered Multi-Mode Bonds immediately prior to any Mandatory Tender Date if moneys are on hand with the Bond Trustee to pay the Tender Price thereof shall be entitled solely to payment of such Tender Price for such Multi-Mode Bonds and shall not be entitled to the payment of any principal thereon or any interest thereafter.

Amounts held by the Bond Trustee to pay the Tender Price of the Multi-Mode Bonds shall be held uninvested or shall, upon the direction of the Obligated Group, be invested only in Government Securities described in clause (a) of the definition of Government Securities having a maturity date no later than the earlier of 30 days from the date of investment of such moneys or on or prior to the date or dates that moneys therefrom are anticipated to be required, but which in any event may be liquidated at the original principal amount thereof on no more than one Business Day's prior notice.

6. *Trust Funds.* All moneys received by the Bond Trustee under the provisions of the Bond Indenture shall, except as provided in the immediately succeeding paragraph, be trust funds under the terms of the Bond Indenture and subject to the lien of the Bond Indenture for the benefit of all outstanding Bonds and shall not be subject to lien or attachment of any creditor of the Authority or the Obligated Group; provided, however, that any moneys held by the Bond Trustee in the Multi-Mode Bonds Purchase Fund shall be held exclusively for the benefit of, and subject to a security interest in favor of, the former Registered Owners of Optionally Tendered Multi-Mode Bonds or Mandatorily Tendered Multi-Mode Bonds who have not received the Tender Price therefor. Such moneys shall be held in trust and applied in accordance with the provisions of the Bond Indenture.

Excluded Funds; Transfers to Rebate Fund. Any provisions of the Bond Indenture to the contrary notwithstanding, (i) the Rebate Fund shall not be considered a part of the "trust estate" created by the Bond Indenture and (ii) the Bond Trustee shall be permitted to transfer moneys on deposit in any of the Funds created by the Bond Indenture to the Rebate Fund in accordance with the provisions of the Tax Exemption Agreement.

Investment of Funds. (A) Moneys in the Project Fund, Revenue Fund, Interest Fund, Bond Sinking Fund, Debt Service Reserve Fund and Redemption Fund shall be invested only in Qualified Investments only upon a Written Request of the Obligated Group filed with the Bond Trustee. Such investments shall be made so as to mature on or prior to the date or dates that moneys therefrom are anticipated to be required. The Bond Trustee, when authorized by the Obligated Group, may trade with itself in the purchase and sale of securities for such investments; provided, however, that in no case shall any investment be otherwise than in accordance with the investment limitations contained in the Bond Indenture and in the Tax Exemption Agreement. The Bond Trustee shall not be liable or responsible for any loss resulting from any such investments.

(B) Except as set forth in the provisions of the Bond Indenture summarized above under the caption *"*THE BOND INDENTURE -- *Funds; Disposition of Revenues-3. Debt Service Reserve Fund,"* all income derived from the investment of any monies on deposit in the Debt Service Reserve Fund will be deposited into the Interest Fund. All income from the investment of monies in any other fund which is in excess of the requirements of such fund shall be deposited in the Interest Fund, except to the extent otherwise provided in the section above entitled "THE BOND INDENTURE -- *Funds; Disposition of Revenues-3. Debt Service Reserve Fund*."

Bonds to Remain Tax Exempt. The Authority agrees in the Bond Indenture that it will not use, or, to the extent within its control, permit to be used, any of the property acquired out of, or the costs of which were reimbursed or refinanced from Bond proceeds in an unrelated trade or business as defined in Section 513(a) of the Code so as to cause any Borrower to lose its status as an organization described in Section 501(c)(3) of the Code; nor will it, to the extent within its control, permit such property to be used by any Person in such manner as would result in loss of tax exemption of interest on the Bonds to the extent otherwise afforded under Section 103(a) of the Code.

Arbitrage. The Authority agrees in the Bond Indenture that it will not take any action or, to the extent within its control, fail to take any action with respect to the investment of any funds held under the Bond Indenture or the proceeds of any Bonds or with respect to the revenues derived from the Notes or the Loan Agreements, or in any other respect, which may result in the Bonds being constituted "arbitrage bonds" as used in Section 148 of the Code. The Authority further agrees in the Bond Indenture, at the sole cost of the Obligated Group, to comply with and to take all actions required to be performed by the Authority under the Tax Exemption Agreement and to refrain from taking any action which would violate any of its covenants, representations and warranties contained in the Tax Exemption Agreement.

The foregoing shall not be construed to imply any duty of oversight on the part of the Authority, nor shall the Authority be required to take any action with respect to arbitrage matters unless requested to do so by the Bond Trustee and furnished by the Obligated Group with satisfactory indemnity for liability and expenses.

Exchange of Notes. On any Adjustment Date which is also a Mandatory Tender Date or on any Change Date, the Obligated Group may deliver to the Bond Trustee, in exchange for all Notes then held by the Bond Trustee under the Bond Indenture as collateral for the Bonds (the "Existing Notes"), new Notes (the "Substitute Notes") issued under the Master Indenture identical in all respects to the Existing Notes except for designation under the Master Indenture as "Class A" or "Class B" Notes; provided that the Registered Owners of all Outstanding Bonds shall have consented to such exchange. Upon receiving the Substitute Notes, the Bond Trustee shall cancel the Existing Notes and deliver them to the Obligated Group, and the Substitute

Notes shall thereafter be held by the Bond Trustee under the Bond Indenture as collateral for the Bonds, unless later substituted for with new Substitute Notes pursuant to the provisions of the Bond Indenture.

Defaults and Remedies. Events of Default under the Bond Indenture include the following:

1. payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable; or

2. payment of the principal or of the redemption premiums, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or through failure to fulfill any payment to any Fund under the Bond Indenture or otherwise; or

3. the Authority shall for any reason be rendered incapable of fulfilling its obligations under the Bond Indenture; or

4. certain events of insolvency or bankruptcy relating to the Authority shall occur; or

5. any Borrower shall default in the performance of its covenant in its Loan Agreement relating to the discharge, vacation, bonding or stay of any order, writ or warrant of attachment, garnishment, execution or similar process filed against any part of the funds or accounts held by the Bond Trustee under the Bond Indenture; or

6. any Borrower shall fail to perform any other of its covenants contained in its Loan Agreement and such failure shall continue for a period of 30 days after notice of such default shall have been given to the Obligated Group by the Bond Trustee unless the nature of the default is such that it cannot be remedied within the thirty-day period and the Bond Trustee agrees in writing to an extension of time and such Borrower institutes corrective action within the period agreed upon and diligently pursues such action until the default is remedied; or

7. an Event of Default, as defined in the Master Indenture, shall occur and be continuing; or

8. the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Series 2009C Bonds or in the Bond Indenture or any agreement supplemental thereto and such default shall continue for 30 days after written notice thereof shall have been given to the Authority and the Obligated Group by the Bond Trustee; or

9. payment of the Tender Price of Mandatorily Tendered Multi-Mode Bonds delivered to the Tender Agent pursuant to the provisions of the Bond Indenture shall not be made with Eligible Moneys when the same shall become due and payable; or

10. the Authority or any Borrower shall fail to comply with any provision of the Tax Exemption Agreement.

Upon the occurrence and continuation of any event of default described in paragraphs (1), (2), (5), (6), (7), (8), (9) or (10) above, the Bond Trustee may, without any action on the part of the Registered Owners, and, upon the written request of the Registered Owners of not less than 25% in aggregate principal amount of the Series 2009C Bonds then outstanding (other than Borrower Bonds and Bonds then owned or held by or on behalf of the Authority), after being indemnified at its option pursuant to the provisions of the Bond Indenture, the Bond Trustee shall, by notice in writing delivered to the Authority, declare the entire principal amount of the Series 2009C Bonds then outstanding under the Bond Indenture and the interest accrued thereon to be immediately due and payable. Such declaration is subject to the provisions of the Bond Indenture which permit the annulment of such declaration. The entire principal amount of the Series 2009C Bonds and the interest accrued thereon shall also become immediately due and payable upon a declaration of acceleration of the Notes by the Master Trustee *ipso facto* and without the necessity of any action by the Bond Trustee. The Bond Trustee is also authorized to pursue any available remedies by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Series 2009C Bonds. Pursuant to the Bond Indenture, the Authority grants to the Bond Trustee and the Registered Owners from time to time of the Series 2009C Bonds the exclusive right to enforce the performance of the obligations of the Obligated Group under the Notes and of the Borrowers under the Loan Agreements (except for Unassigned Rights). The foregoing provisions are subject, however, to the right of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then outstanding, by written notice to the Bond Trustee and to the Authority, to annul such acceleration and destroy its effect as provided in the Bond Indenture.

Direction of Proceedings and Waivers. Anything in the Bond Indenture to the contrary notwithstanding, but subject to the provisions of the Bond Indenture, the Registered Owners of not less than a majority in aggregate principal amount of 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 time, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Bond Indenture, or for the appointment of a receiver or any other proceedings thereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Bond Indenture.

The Bond Trustee may, in its discretion, waive any Event of Default under the Bond Indenture and its consequences and rescind any declaration of maturity of principal, and shall do so upon written request of the Registered Owners of (l) at least a majority in aggregate principal amount of all the Bonds outstanding in respect of which default in the payment of principal and/or interest exists, or (2) at least a majority in aggregate principal amount of all the Bonds outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal of any outstanding Bonds when due or (b) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest thereon (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest and all arrears of payments of principal when due, as the case may be, and all expenses of the Bond Trustee, the Bond Trustee's Agent, if any, and any Paying Agent, in connection with such default, shall have been paid or provided for. In case of any such waiver or rescission or in case any proceeding taken by the Bond Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Bond Trustee and the Bondholders shall, subject to any determination in such proceeding, be restored to their former positions and rights under the Bond Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

If an Event of Default shall have occurred, and if requested so to do by the Registered Owners of not less than 25% in aggregate principal amount of Bonds then outstanding and indemnified as provided in the Bond Indenture, the Bond Trustee shall be obliged to exercise such one or more available remedies by suit, at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then outstanding or to enforce any obligation of the Authority under the Bond Indenture as the Bond Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders. No remedy by the terms of the Bond Indenture conferred upon or reserved to the Bond Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bond Trustee or to the Bondholders under the Bond Indenture or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default under the Bond Indenture, whether by the Bond Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Application of Moneys. Subject to the provisions of the Bond Indenture, all moneys received or held by the Bond Trustee pursuant to any right given or action taken under the provisions of the Bond Indenture shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expense (including reasonable attorneys' and paralegals' fees), liabilities and advances incurred or made by the Bond Trustee, be deposited in the Revenue Fund and, together with all moneys in the Funds maintained by the Bond Trustee under the Bond Indenture, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

Second: To the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than the Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Bond Indenture), and, if the amount available shall not be sufficient to pay in full the Bonds, then to the payment ratably, according to the amount of principal due to the Persons entitled thereto without any discrimination or privilege;

Third: To the payment of the principal and interest then due and unpaid upon Bonds with respect to which the payment of principal and interest has been extended as described in the Bond Indenture; and

Fourth: To the payment of amounts, if any, payable pursuant to the Tax Exemption Agreement.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege;

Second: To the payment of the principal and interest then due and unpaid upon Bonds with respect to which the payment of principal and interest has been extended as described in the Bond Indenture; and

Third: To the payment of amounts, if any, payable pursuant to the Tax Exemption Agreement.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Bond Indenture summarized under this caption, then, subject to the provisions of paragraph (b) above in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) above.

Whenever moneys are to be applied by the Bond Trustee pursuant to the provisions of the Bond Indenture summarized above, such moneys shall be applied by it at such times, and from time to time, as the Bond 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 Bond Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Bond Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date. The Bond Trustee shall not be required to make payment to the Registered Owner of any unpaid Bond until such Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

Successor Bond Trustee. Any corporation or association into which the Bond Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, *ipso facto*, be and become successor Bond Trustee under the Bond Indenture and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Resignation and Removal of Bond Trustee. (a) The Bond Trustee may at any time resign by giving written notice of resignation to the Obligated Group and the Authority and by mailing notice of resignation to all Registered Owners of the Bonds at their last addresses appearing on the Bond Register. Upon receiving such notice of resignation, the Authority, with the advice and approval of the Obligated Group, or the Obligated Group (so long as no default has occurred and is continuing under any Loan Agreement or the Master Indenture), shall promptly appoint a successor Bond Trustee by written instrument, in duplicate, executed by order of the Authority or the Obligated Group, as the case may be, one copy of which instrument shall be delivered to the Bond Trustee so resigning and one copy to the successor Bond Trustee. If no successor Bond Trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Bond Trustee may petition any court of competent jurisdiction for the appointment of a successor Bond Trustee, or any Registered Owner of a Bond who has been a bona fide Registered Owner of a Bond or Bonds for at least six months may, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor Bond Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Bond Trustee.

(b) In case at any time the Bond Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Bond Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Bond Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, or at the request of the Obligated Group for good cause demonstrated to the satisfaction of the Authority, then, in any such case, the Authority, with the advice and approval of the Obligated Group, may remove the Bond Trustee and appoint a successor Bond Trustee by written instrument, in duplicate, executed by order of the Authority, one copy of which instrument shall be delivered to the Bond Trustee so removed and one copy to the successor Bond Trustee, or any Registered Owner of a Bond who has been a bona fide Registered Owner of a Bond or Bonds for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Bond Trustee and the appointment of a successor Bond Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Bond Trustee and appoint a successor Bond Trustee.

(c) Either the Obligated Group (so long as no default has occurred and is continuing under any Loan Agreement or the Master Indenture), or the Registered Owners of not less than a majority in aggregate principal amount of Bonds then outstanding may at any time remove the Bond Trustee and appoint a successor Bond Trustee by delivering to the Bond Trustee to be removed, to the successor Bond Trustee so appointed and to the Authority evidence of the action taken by the Obligated Group or the Registered Owners of the Bonds, as the case may be.

(d) Any resignation or removal of the Bond Trustee and any appointment of a successor Bond Trustee pursuant to any of the provisions of the Bond Indenture summarized under this caption shall not become effective until acceptance of appointment by a successor Bond Trustee and the Bond Trustee has transferred all moneys then held by the Bond Trustee to the successor Bond Trustee.

Supplemental Indentures Not Requiring Consent of Bondholders. The Authority and the Bond Trustee may without the consent of, or notice to, any Bondholders enter into an indenture or indentures supplemental to the Bond Indenture, as shall not be inconsistent with the terms and provisions of the Bond Indenture, for any one or more of the following purposes:

(A) to cure any ambiguity or formal defect or omission in the Bond Indenture;

(B) to grant to or confer upon the Bond Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Bond Trustee or either of them;

(C) to subject additional revenues, properties or collateral to the lien and pledge of the Bond Indenture;

(D) to evidence the appointment of a separate Bond Trustee or the succession of a new Bond Trustee under the Bond Indenture (including a new Bond Trustee's Agent);

(E) to modify, amend or supplement the Bond Indenture or any indenture supplemental thereto in such manner as to permit the qualification of the Bond Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect or to permit the qualification of the Series 2009C Bonds for sale under the securities laws of any state of the United States of America;

(F) to modify, amend or supplement the Bond Indenture or any indenture supplemental thereto in such manner as to permit the issuance of coupon Series 2009C Bonds as described in the Bond Indenture and to permit the exchange of Series 2009C Bonds from fully registered form to coupon form and vice versa;

(G) to provide for the refunding or advance refunding of the Bonds, including the right to establish and administer an escrow fund and to take related action in connection therewith;

(H) at any time that a Multi-Mode Bond bearing interest at a Fixed Interest Rate begins to bear interest at a Variable Rate, to modify, amend or supplement the form of such Bond to reflect, among other things, a change in the designated title of such Bond, the establishment of a Variable Rate, the addition of the right of any Registered Owner of such Bond to tender such Bond for purchase under certain circumstances, and, if applicable, that the principal of and interest on such Bond is payable out of amounts drawn under a Support Facility;

(I) to modify, amend or supplement the Bond Indenture or any indenture supplemental thereto in such manner as to permit continued compliance with the Tax Exemption Agreement;

(J) to implement the addition, substitution or elimination of a Support Facility for the Bonds pursuant to the provisions of the Bond Indenture, including any amendments to the provisions of the Bond Indenture required by the related Support Facility Provider in connection therewith, so long as such supplemental indenture does not modify any notice provision to which the Bondholders would otherwise be entitled;

(K) to amend the provisions of the Bond Indenture relating to the Multi-Mode Bonds in order to conform such provisions to then-current market conditions and procedures relating to the operation of variable rate demand bonds; provided that any such amendment shall only be applicable to Multi-Mode Bonds from and after a Mandatory Tender Date therefor;

(L) to modify, amend or supplement the provisions of the Bond Indenture relating to the Debt Service Reserve Fund and/or the Debt Service Reserve Fund Requirement in connection with the funding of the Debt Service Reserve Fund as provided in the Bond Indenture;

(M) to modify, amend or supplement the Bond Indenture to permit the interest rate on the Multi-Mode Bonds to be determined from time to time in a manner not then provided for in the Bond Indenture; provided that (i) any such modification, amendment or supplement shall only be applicable to Multi-Mode Bonds from and after a Mandatory Tender Date (as defined in the Bond Indenture) and (ii) there shall have been delivered to the Bond Trustee an opinion of Bond Counsel to the effect that such modification, amendment or supplement would not adversely affect the exemption from federal income taxation of the interest paid on such Bonds to the extent afforded under Section 103(a) of the Code; and

(N) to amend the Bond Indenture in any other respect which, in the judgment of the Bond Trustee, is not to the detriment of the Bondholders.

The Authority and the Bond Trustee may not enter into an indenture or indentures supplemental to the Bond Indenture pursuant to paragraph (F) above unless they shall have received an opinion of Bond Counsel to the effect that the issuance of coupon Series 2009C Bonds will not adversely affect the validity of such Series 2009C Bonds or the exemption from federal income taxation of the interest paid on such Series 2009C Bonds to the extent afforded under Section 103(a) of the Code. Anything in the Bond Indenture to the contrary notwithstanding, a supplemental indenture which affects any rights of any Borrower or of the Obligated Group shall not become effective unless and until the Obligated Group shall have consented in writing to the execution and delivery of such supplemental indenture.

Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures identified above, and subject to the terms and provisions contained under this heading, and not otherwise, the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then outstanding, shall have the right, from time to time, anything contained in the Bond Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Bond Trustee of such other indenture or indentures supplemental thereto 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 or provisions contained in the Bond Indenture or in any supplemental indenture; provided, however, that nothing in the Bond Indenture summarized under this subcaption shall permit, or be construed as permitting: (a) an extension of the stated 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 Bonds, without the consent of the Registered Owner of such Bonds; or (b) a reduction in the amount or extension of the time of any payment required to be made into the Interest Fund or the Bond Sinking Fund provided in the Bond Indenture; or (c) a reduction in the aforesaid aggregate principal amount of Bonds the Registered Owners of which are required to consent to any such supplemental indenture, without the consent of the Registered Owners of all the Bonds at the time outstanding which would be affected by the action to be taken; or (d) a modification of the rights, duties or immunities of the Bond Trustee, without the written consent of the Bond Trustee; or (e) the loss of the tax exemption to the extent otherwise afforded under Section 103(a) of the Code of interest on any Bond held by a non-consenting Bondholder; or (f) a reduction in the Tender Price payable upon any Mandatory Tender Date; or (g) an extension of the time of payment of the Tender Price; or (h) a modification of the tender rights of any Registered Owner of Bonds which would adversely affect the tender rights of any such Registered Owner; or (i) a modification of the mandatory tender provisions applicable to the Bonds which would adversely affect the rights of any Registered Owner of Bonds. Anything in the Bond Indenture to the contrary notwithstanding, a supplemental indenture which affects any rights of any Borrower or of the Obligated Group shall not become effective unless and until the Obligated Group shall have consented in writing to the execution and delivery of such supplemental indenture.

Amendments to the Loan Agreements Not Requiring Consent of Bondholders. The Authority and the Bond Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of any Loan Agreement as may be required (i) by the provisions of such Loan Agreement and the Bond Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission which is not prejudicial to the rights of the

Registered Owners of the Series 2009C Bonds, (iii) for the purpose of complying with the provisions of the Tax Exemption Agreement or (iv) in connection with any other change in such Loan Agreement which, in the judgment of the Bond Trustee, is not to the prejudice of the Bond Trustee or the Registered Owners of the Series 2009C Bonds.

Amendments to the Loan Agreements Requiring Consent of Bondholders. Except for the amendments, changes or modifications described under the preceding caption, neither the Authority nor the Bond Trustee shall consent to any other amendment, change or modification of any Loan Agreement without the written approval or consent of the Registered Owners of not less than a majority in aggregate principal amount of Series 2009C Bonds at the time outstanding.

Under no circumstances shall any amendment to any Loan Agreement alter any Note evidencing a loan made pursuant thereto or the payments of principal and interest thereon, without the consent of the Registered Owners of all the Bonds at the time outstanding.

Satisfaction of Lien of Bond Indenture. The lien of the Bond Indenture shall be satisfied if, in addition to certain other conditions referred to in the Bond Indenture, the entire indebtedness on all Series 2009C Bonds then outstanding shall be paid and discharged in any one or more of the following ways:

1. by payment of the principal of (including redemption premium, if any) and interest on all Series 2009C Bonds outstanding thereunder, as and when the same become due and payable;

2. by deposit with the Bond Trustee, in trust, at or before maturity, of money in the full amount necessary to pay or redeem (when redeemable) all Series 2009C Bonds then outstanding thereunder;

3. by delivery to the Bond Trustee, for cancellation by it, all Series 2009C Bonds then outstanding thereunder; or

4. by deposit with the Bond Trustee, in trust, pursuant to an escrow agreement in form and substance acceptable to the Authority and the Bond Trustee, of cash and/or legally permissible Escrowed Securities, not redeemable prior to the maturity thereof without the consent of the holder thereof, in such amount as the Bond Trustee shall determine, on the basis of a verification report by a nationally recognized firm of independent certified public accountants or other experts experienced in the preparation of similar reports, will, together with the income or increment to accrue thereon and without reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2009C Bonds outstanding thereunder at their respective maturity dates (or their redemption dates, if redeemed prior to maturity), and delivering to the Authority and the Bond Trustee an opinion of Bond Counsel (in form and substance acceptable to the Authority and the Bond Trustee) to the effect that (i) such deposit is legally permissible and will not cause the loss of tax exemption of interest on the Series 2009C Bonds to the extent otherwise afforded under Section 103(a) of the

Code and (ii) the Series 2009C Bonds are no longer Outstanding under the Bond Indenture.

The Authority may, at any time and from time to time at the direction of the Obligated Group, in lieu of making the deposit specified in the foregoing subparagraph (4) with respect to all Bonds issued under the Bond Indenture, make such deposit with respect to particular Bonds specified by the Obligated Group and deliver an opinion of Bond Counsel setting forth the matters referred to in such subparagraph but with respect to such specified Series 2009C Bonds.

The Escrowed Securities or any portion thereof deposited with the Bond Trustee pursuant to the foregoing subparagraph (4) of the first paragraph under this caption shall not be sold, redeemed, invested or reinvested (hereinafter referred to as a "Subsequent Action") unless the Bond Trustee receives (i) a verification report to the effect that after such Subsequent Action the cash and/or Escrowed Securities then on deposit with the Bond Trustee will, together with the income or increment to accrue thereon and without reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds at their respective maturity dates (or their redemption dates, if redeemed prior to maturity), and (ii) an opinion of Bond Counsel to the effect that such Subsequent Action is legally permissible, will not adversely affect the discharge or satisfaction of the lien of the Bond Indenture and will not cause loss of tax exemption of interest on such Bonds to the extent otherwise afforded by Section 103(a) of the Code.

Any moneys, funds, securities, or other property remaining on deposit in the Revenue Fund, Interest Fund, Bond Sinking Fund, Debt Service Reserve Fund, or in any other fund or investment under the Bond Indenture (other than the cash and/or Escrowed Securities deposited in trust as above provided), amounts in the Purchase Funds held for the payment of the Tender Price of Bonds which have not been tendered as required by the Bond Indenture and amounts held pursuant to the Bond Indenture shall, upon the full satisfaction of the lien of the Bond Indenture, be transferred, paid over and distributed to the Obligated Group.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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APPENDIX D
FORM OF OPINION OF BOND COUNSEL

[Letterhead of Chapman and Cutler LLP]

[Dated Date of Closing]

Kansas Development Finance Authority
Topeka, Kansas

U.S. Bank National Association, as Bond Trustee
under the Bond Indenture referred to below
Orlando, Florida

U.S. Bank National Association, as Master Trustee
under the Master Indenture referred to below
Orlando, Florida

B.C. Ziegler and Company, as representative
of the Underwriters
Chicago, Illinois

Standard & Poor's Rating Services
New York, New York

Moody's Investors Service
New York, New York

Fitch, Inc.
New York, New York

Re: $330,390,000 Kansas Development Finance Authority
Hospital Revenue Bonds, Series 2009C
(Adventist Health System/Sunbelt Obligated Group)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by the Kansas Development Finance Authority, an independent instrumentality duly organized and existing under the laws of the State of Kansas (the "Authority"), of the Bonds referred to in the caption hereof (the "Bonds"), which are being issued under the Trust Indenture dated as of July 1, 2009 (the "Bond Indenture") between the Authority and U.S. Bank National Association, a national banking association, as trustee (the "Bond Trustee").

The proceeds of the Bonds are being loaned to Adventist Health System/Sunbelt, Inc., a Florida not-for-profit corporation ("Sunbelt"), and certain other not-for-profit corporations listed in Schedule I hereto (herein, collectively with Sunbelt, referred to as the "Borrowers") pursuant to separate Loan Agreements, each dated as of July 1, 2009 (the "Loan Agreements"), between the Authority and each of the Borrowers, respectively.

The loans being made pursuant to the Loan Agreements are evidenced, respectively, by the Notes described in Schedule I hereto (herein collectively referred to as the "Notes"). The Notes are being issued under the Amended and Restated Master Trust Indenture dated as of May 1, 1995, as heretofore supplemented and amended (the "Master Indenture"), and as further supplemented by Supplemental Indenture Number 176 dated as of July 1, 2009 (the "Supplemental Indenture") among the Borrowers; Chippewa Valley Hospital & Oakview Care Center, Inc., a Wisconsin not-for-profit corporation; Florida Hospital Zephyrhills, Inc., a Florida not-for-profit corporation; and Jellico Community Hospital, Inc., a Tennessee not-for-profit corporation (hereinafter referred to individually as a "Member" and collectively as the "Obligated Group"); and U.S. Bank National Association, a national banking association, as successor trustee (the "Master Trustee").

In connection with the issuance and sale of the Bonds, the Authority and Sunbelt, as representative of the Obligated Group, have approved the use of the Preliminary Official Statement dated May 29, 2009 (the "Preliminary Official Statement") and the Official Statement dated June 11, 2009 (the "Official Statement"), each pertaining to the Bonds.

The proceeds of the Bonds will be used to (i) finance, refinance or reimburse the costs of the acquisition of, and certain capital improvements to and equipment for, certain of the Borrowers' health care facilities and (ii) currently refund a portion of the Prior Bonds (as defined in the Bond Indenture).

The Bonds are being sold pursuant to the Bond Purchase Agreement dated June 11, 2009 (the "Bond Purchase Agreement") between the Authority and B.C. Ziegler and Company, acting on behalf of itself and the other underwriters named therein (collectively the "Underwriters"), and approved by Sunbelt, as representative of the Obligated Group.

In connection with the issuance of the Bonds, the Borrowers, the Authority and the Bond Trustee have executed a Tax Exemption Certificate and Agreement dated the date hereof (the "Tax Exemption Agreement"), which places certain restrictions on the investment of moneys held in the funds established by the Bond Indenture and, under certain circumstances, would require the transfer of certain moneys held in such funds to a Rebate Fund created under the Tax Exemption Agreement.

In our capacity as bond counsel we have examined the following:

(a) certified copies of the Articles of Incorporation and the Bylaws of Sunbelt and the other Members of the Obligated Group and of Adventist Health System Sunbelt Healthcare Corporation, a Florida not-for-profit corporation ("Health Care");

(b) certificates of the appropriate authorities of the states in which the Members of the Obligated Group are incorporated or qualified to do business, relative to the good standing of the Members therein;

(c) certified copies of the corporate proceedings of (i) the Executive Board of the Board of Directors of Health Care authorizing or approving, as the sole member, directly or indirectly, of certain Members of the Obligated Group, and (ii) the Board of Directors of Sunbelt authorizing or approving, as the sole member, directly or indirectly, of the other Members of the Obligated Group, the execution and delivery of the Bond Indenture, the Loan Agreements, the Supplemental Indenture, the Notes, the Tax Exemption Agreement, the Bond Purchase Agreement and the Official Statement;

(d) certified copies of the proceedings of the Authority authorizing the execution and delivery of the Bond Indenture, the Loan Agreements, the Tax Exemption Agreement and the Bond Purchase Agreement and the issuance and sale of the Bonds and approving the use of the Preliminary Official Statement and the Official Statement;

(e) the executed Notes and executed counterparts of the Bond Indenture, the Loan Agreements, the Master Indenture, the Supplemental Indenture, the Tax Exemption Agreement, the Bond Purchase Agreement and the Official Statement;

(f) executed Bonds;

(g) the opinion of Kutak Rock LLP, special counsel for the Authority, dated this date;

(h) the opinion of GrayRobinson, P.A., general counsel for the Obligated Group and Health Care, dated this date;

(i) the opinion of Sonnenschein Nath & Rosenthal LLP, special counsel for the Underwriters, dated this date; and

(j) such other opinions, documents and showings and related matters of law as we have deemed necessary in order to enable us to render this opinion.

Based upon the foregoing and in reliance upon certain documents and showings hereinafter referred to, we are of the opinion that:

1. The Authority is an independent instrumentality duly created and existing under the laws of the State of Kansas and has full power and authority to enter into, execute and deliver the Bond Indenture, the Loan Agreements, the Tax Exemption Agreement and the Bond Purchase Agreement and to issue and sell the Bonds.

2. Sunbelt is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of Florida, is duly qualified to do business as a foreign corporation under the laws of the States of Illinois, Tennessee and Texas and has full power and authority to enter into, execute and deliver the Bond Purchase Agreement, the Official Statement, the Master Indenture, the Supplemental Indenture, the Tax Exemption Agreement, its Loan Agreement and the Notes.

3. Each of the Borrowers other than Sunbelt is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has full power and authority to enter into, execute and deliver its Loan Agreement, the Master Indenture, the Supplemental Indenture, the Tax Exemption Agreement and the Notes.

4. Each of the Members of the Obligated Group other than the Borrowers is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has full power and authority to enter into, execute and deliver the Master Indenture, the Supplemental Indenture and the Notes.

5. The resolutions of the Authority authorizing the issuance and sale of the Bonds have been duly adopted by the Authority, and no further action of the Authority is required for their continued validity.

6. The Bond Indenture, the Loan Agreements and the Tax Exemption Agreement have been duly authorized or approved by the Authority and the Borrowers, have been duly executed and delivered by the respective parties thereto and constitute legal, valid and binding instruments of such parties enforceable in accordance with their respective terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies.

7. The Master Indenture, the Supplemental Indenture and the Notes have been duly authorized by the Obligated Group, have been duly executed and delivered by the Obligated Group and the Master Trustee and constitute legal, valid and binding instruments of the Obligated Group enforceable in accordance with their respective terms, subject to the qualifications that (i) the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies and (ii) the provisions of the Master Indenture, the Supplemental Indenture and the Notes requiring payments to be made on the Notes and on any other note issued under the Master Indenture may not be enforceable if such payments: (a) constitute payments on a fraudulent obligation under Section 548 of the federal Bankruptcy Code or a fraudulent conveyance under applicable state law; (b) are requested to be made from any moneys or assets which are donor restricted or which are subject to a direct, express or charitable trust which does not permit the use of such moneys or assets for

such payments; (c) are requested with respect to payments on any note issued under the Master Indenture which was issued for a purpose which is not consistent with the charitable purposes of the Member of the Obligated Group from which such payment is requested or which was issued for the benefit of any entity other than a not-for-profit corporation which is exempt from federal income tax under Sections 501(a) and 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a "private foundation" as defined in Section 509(a) of the Code; (d) 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 (e) are requested to be made pursuant to any loan violating applicable usury laws.

8. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Authority and Sunbelt, as representative of the Obligated Group, and, assuming the due authorization, execution and delivery thereof on behalf of the Underwriters, constitutes a legal, valid and binding instrument of the Authority and the Obligated Group enforceable in accordance with its terms, subject to the qualifications that (i) the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies and (ii) the enforcement of the indemnification provisions thereof may be limited by federal or state securities laws.

9. The Bonds have been duly authorized by the Authority, duly executed by authorized officers of the Authority, authenticated by the Bond Trustee and validly issued by the Authority and constitute the legal, valid and binding limited obligations of the Authority enforceable in accordance with their terms and are entitled to the benefit and security of the Bond Indenture, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies.

10. Subject to the condition that the Authority and the Borrowers comply with certain covenants, under present law interest on the Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes and (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants by the Authority and the Borrowers could cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

11. Under the laws of the State of Kansas, as presently enacted and construed, so long as interest on the Bonds is not included in gross income for federal income tax purposes, interest on the Bonds is not subject to the tax imposed by the State of Kansas on individuals, corporations, and estates and trusts under the Kansas Income Tax Act, Article 32, Chapter 79 of the Kansas Statutes Annotated. Interest on the Bonds is subject to the tax imposed by the State of Kansas under Article 11, Chapter 79 of the Kansas Statutes Annotated on state banks, national banking associations, trust companies, and savings and loan associations as defined therein. No opinion is expressed with respect to any other taxes imposed by the State of Kansas or any political subdivision thereof. Ownership of the Bonds may result in other Kansas tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

12. The Official Statement has been duly authorized, executed and delivered by Sunbelt, as representative of the Obligated Group, and the use of the Preliminary Official Statement in connection with the issuance and sale of the Bonds has been duly approved by the Authority and Sunbelt, as representative of the Obligated Group.

13. We have not been engaged nor have we undertaken to review or verify the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Bonds, except that in our capacity as bond counsel in connection with the issuance of the Bonds we have reviewed the information contained in the Official Statement under the captions "INTRODUCTORY STATEMENT-Security for the Series 2009C Bonds," "INTRODUCTORY STATEMENT-Conversion of the Series 2009C Bonds," "THE SERIES 2009C BONDS" (apart from the information relating to The Depository Trust Company and its book-entry only system) and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009C BONDS" (apart from the information in the second paragraph under the subcaption "The Master Indenture and the Series 2009C Notes" appearing after the third sentence of such paragraph) and in APPENDIX C to the Official Statement entitled "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS" solely to determine whether such information and summaries conform to the Bonds, the Bond Indenture, the Loan Agreements, the Master Indenture and the Supplemental Indenture. The purpose of our professional engagement was not to establish or confirm factual matters in the Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth under these captions. Subject to the foregoing, the summary descriptions in the Official Statement under such captions and in such Appendix, as of the date of the Official Statement and as of the date hereof, insofar as such descriptions purport to describe or summarize certain provisions of the Bonds, the Bond Indenture (apart from the information relating to The Depository Trust Company and its book-entry only system), the Loan Agreements, the Master Indenture and the Supplemental Indenture, are accurate summaries of such provisions in all material respects. In addition, the statements contained in the Official Statement under the caption "TAX EXEMPTION" have been reviewed by us and are accurate summaries in all material respects. In addition, subject to the foregoing, while we are not passing upon, and do not assume responsibility for, the accuracy, completeness or fairness of

the statements contained in the Official Statement, other than as set forth above in this paragraph, based upon our participation as bond counsel in connection with the issuance of the Bonds, without independent verification, no facts have come to our attention which lead us to believe that the statements contained in the Official Statement under the captions "INTRODUCTORY STATEMENT-Security for the Series 2009C Bonds," "INTRODUCTORY STATEMENT-Conversion of the Series 2009C Bonds," "THE SERIES 2009C BONDS" (apart from the information relating to The Depository Trust Company and its book-entry only system), "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009C BONDS" (apart from the information in the second paragraph under the subcaption "The Master Indenture and the Series 2009C Notes" appearing after the third sentence of such paragraph) and "TAX EXEMPTION" and in APPENDIX C to the Official Statement entitled "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF PRINCIPAL INSTRUMENTS" contained, as of the date of the Official Statement, or contain, as of the date hereof, any untrue statement of a material fact or omitted or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. Except as specifically described in this paragraph, we express no opinion with respect to, and have not undertaken to determine independently, the accuracy, fairness or completeness of any statements contained or incorporated by reference in the Official Statement.

14. The Bonds constitute exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and of Section 304(a)(4) of the Trust Indenture Act of 1939, as amended; and it is not necessary in connection with the sale of the Bonds to the public to register the Bonds or the Notes under the Securities Act of 1933, as amended, or to qualify the Bond Indenture, the Master Indenture or the Supplemental Indenture under the Trust Indenture Act of 1939, as amended.

15. Under the Master Indenture, each Member of the Obligated Group has granted to the Master Trustee a valid and enforceable security interest in its accounts, as defined in Article 9 of the Florida Uniform Commercial Code, and in its Gross Revenues, as defined in the Master Indenture, and all proceeds of such accounts and Gross Revenues. Such security interest has been perfected under the Uniform Commercial Codes of the States of Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, North Carolina, Tennessee, Texas and Wisconsin to the extent that it can be perfected solely by the filing of appropriate financing statements and is prior to any other security interest therein which could be perfected solely by such filing, other than any security interest in any accounts constituting a Permitted Encumbrance pursuant to paragraph (h) or (i) of the definition thereof contained in the Master Indenture, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies.

In rendering this opinion, including without limitation our opinion set forth in the foregoing paragraph 10, we have relied upon (i) certificates of the Authority and the Borrowers with respect to certain material facts within their respective knowledge relating to the facilities financed and refinanced with the proceeds of the Bonds and the application of the proceeds of the Bonds and (ii) the opinion of GrayRobinson, P.A., general counsel for the Obligated Group and Health Care, referred to in paragraph (h) above, that the Members of the Obligated Group are organizations described in Section 501(c)(3) of the Code and as to certain other matters.

We have also relied upon such opinion of GrayRobinson, P.A., with respect to all matters relating to the organization and incorporation of each Member of the Obligated Group and Health Care and the power and authority of the Obligated Group and Health Care to conduct their respective health care activities as now being conducted.

In rendering the opinion set forth in paragraph 15 above, we have relied upon (i) searches of financing statements filed in the offices of the Secretaries of State of the States of Colorado, Florida, Illinois, Kansas, Kentucky, North Carolina, Tennessee, Texas and Wisconsin and in the office of the Clerk of the Superior Court of Gordon County, Georgia, made by firms furnishing such services, and (ii) an affidavit of an officer or authorized agent of the Members of the Obligated Group as to all matters which are not required to appear of record in order to be effective against bona fide purchasers or mortgagees without notice and as to judgments and tax liens against the properties of the Obligated Group.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion, and is not a guarantee of a result. This opinion is rendered as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

In rendering this opinion, we express no opinion on the financial statements or the other financial and statistical data included in the Official Statement.

Respectfully submitted,

SCHEDULE I

LIST OF BORROWERS AND NOTES
EVIDENCING LOANS TO BORROWERS

NAME OF BORROWER	DESCRIPTION OF NOTE EVIDENCING LOAN TO BORROWER
Adventist Bolingbrook Hospital, an Illinois not-for-profit corporation	Series 382 Note No. 1 (Kansas 2009C Bolingbrook Financing) in the principal amount of $5,894,516
Adventist GlenOaks Hospital, an Illinois not-for-profit corporation	Series 383 Note No. 1 (Kansas 2009C GlenOaks Financing) in the principal amount of $1,687,763
Adventist Health System Georgia, Inc., a Georgia not-for-profit corporation	Series 384 Note No. 1 (Kansas 2009C AHS/Georgia Financing) in the principal amount of $3,717,394
Adventist Health System/Sunbelt, Inc., a Florida not-for-profit corporation	Series 385 Note No. 1 (Kansas 2009C Sunbelt Financing) in the principal amount of $194,539,480
Adventist Hinsdale Hospital, an Illinois not-for-profit corporation	Series 386 Note No. 1 (Kansas 2009C Hinsdale Financing) in the principal amount of $4,886,495
Fletcher Hospital, Incorporated, a North Carolina not-for-profit corporation	Series 387 Note No. 1 (Kansas 2009C Fletcher Financing) in the principal amount of $9,462,502
Florida Hospital Waterman, Inc., a Florida not-for-profit corporation	Series 388 Note No. 1 (Kansas 2009C Waterman Financing) in the principal amount of $8,887,773
Memorial Health Systems, Inc., a Florida not-for-profit corporation	Series 389 Note No. 1 (Kansas 2009C MHS Financing) in the principal amount of $32,172,253

Memorial Hospital - Flagler, Inc., a Florida not-for-profit corporation	Series 390 Note No. 1 (Kansas 2009C Flagler Financing) in the principal amount of $177,142
Memorial Hospital, Inc., a Kentucky not-for-profit corporation	Series 391 Note No. 1 (Kansas 2009C Memorial Financing) in the principal amount of $1,200,000
Memorial Hospital - West Volusia, Inc., a Florida not-for-profit corporation	Series 392 Note No. 1 (Kansas 2009C West Volusia Financing) in the principal amount of $2,866,661
PorterCare Adventist Health System, a Colorado not-for-profit corporation	Series 393 Note No. 1 (Kansas 2009C PorterCare Financing) in the principal amount of $35,485,505
Shawnee Mission Medical Center, Inc., a Kansas not-for-profit corporation	Series 394 Note No. 1 (Kansas 2009C Shawnee Mission Financing) in the principal amount of $29,224,414
Southwest Volusia Healthcare Corporation, a Florida not-for-profit corporation	Series 395 Note No. 1 (Kansas 2009C SVHC Financing) in the principal amount of $188,102