

**KEDFA BOND INFORMATION FORM**

**Name of Issue:** Kentucky Economic Development Finance Authority Hospital Revenue Refunding Bonds, Series 2022A-1 and Series 2022A-2 (Baptist Healthcare System Obligated Group)

**Name of project(s) covered by Issue:** Refunding of costs of various existing Baptist Healthcare System Projects – See Exhibit A

**Purpose of Issue:** The 2022A-1 and 2022A-2 Bonds are being issued to refund all of the outstanding Kentucky Economic Development Finance Authority Variable Rate Demand Hospital Revenue Bonds, Series 2009B-1 through 2009B-4 (Baptist Healthcare System Obligated Group), currently outstanding in a total principal amount of \$284,435,000

**Size:** \$284,435,000

**Date of Sale:** March 31, 2022

**Date of Issue:** April 1, 2022

**Maturity:** August 15, 2038

**Ratings:** A1 (Moody's) / A+ (Fitch)

**Security:** Master Trust Indenture Obligation of Baptist Healthcare System Obligated Group, secured by a pledge of revenues of the Baptist Healthcare System Obligated Group

**Date authorization(s):** February 24, 2022 (KEDFA approval)  
 March 10, 2022 (State Property and Buildings Commission)  
 March 16, 2022 (Capital Projects and Bond Oversight Committee via Cabinet Notification)  
 March 17, 2022 (Office of Financial Management of the Finance and Administration Cabinet)

Net Proceeds for Refunding: \$284,435,000

**GROSS PROCEEDS:** \$284,435,000

**Terms of issue:** The 2022A-1 Bonds will be privately placed with Bank of America National Association. The 2022A-2 Bonds will be privately placed with DNT Asset Trust, a wholly-owned subsidiary of JPMorgan Chase Bank, N.A.

**Net interest rate:** 2022A-1 Bonds: 1.85%  
2022A-2 Bonds: 1.80%

**Length of term:** 16.5 years

**Gross debt service amount:** \$343,388,582

**Average annual debt service:** \$20,199,328

**First call date:** Non-Callable at par **Premium at first call:** Make-Whole Premium

**Security:** See above

**Method of sale:** Negotiated

**Purchasers:** 2022A-1: Bank of America National Association  
2022A-2: DNT Asset Trust, a wholly-owned subsidiary of JPMorgan Chase Bank, N.A.

### Professional Services

Pursuant to the provisions of KRS Chapter 47, the

Agency: Kentucky Economic Development Finance Authority  
Issue: Hospital Revenue Refunding Bonds, Series 2022A (Baptist Healthcare System Obligated Group)

is providing information on all costs associated, either directly or indirectly, with the issuance of revenue bonds or notes.

<u>Payee Name/Address*</u>	<u>Participation</u>	<u>Fees, commissions, or any other economic benefits received or anticipated to be received</u>
Kentucky Economic Development Finance Authority Old Capitol Annex 300 West Broadway Frankfort, KY 40601	Issuance Fee	\$10,000

Hall, Render, Killian, Heath & Lyman 500 North Meridian St., Suite 400 Indianapolis, IN 46204	Bond Counsel Fee and Expenses	\$105,000
Dinsmore 101 South Fifth Street, Suite 2500 Louisville, KY 40202	Borrower Counsel Fee and Expenses	\$93,319
U.S. Bank Trust Company National Association 435 N. Whittington Parkway Louisville, KY 40202	Trustee's Fee	\$20,300
Stites & Harbison PLLC 400 West Market Street, Suite 1800 Louisville, KY 40202	Issuer's Counsel Fee and Expenses	\$20,000
H2C Securities Inc. 623 Fifth Avenue, 29 <sup>th</sup> Floor New York, NY 10022	Financial Advisory Fee	\$856,035
Chapman and Cutler LLP 111 West Monroe Street Chicago, IL 60603	Counsel to to 2022A-2 Purchaser	\$40,000
Mark Raymond 8416 Man O War Road Palm Beach Gardens, FL 33418	Counsel to 2022A-1 Purchaser	\$30,030
Misc./Contingency	Misc.	\$0

\* Payees listed shall include issuers, underwriters, placement agents and advisors, financial advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel, special tax counsel, and any other persons receiving financing benefit from the issuance of revenue bonds or notes.

Note: Changes or additions in amounts or names of payees or recipients shall be furnished to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue, and shall be made available to the public, within three (3) days following such change or addition.

**SOURCES AND USES** (attach)

Sources:	Bond Proceeds	\$284,435,000
	Total Sources	\$284,435,000

Debt Service: (attach)

Uses:	Refunding of 2009B-1 Bonds	\$66,065,000
	Refunding of 2009B-2 Bonds	\$65,660,000
	Refunding of 2009B-3 Bonds	\$76,555,000
	Refunding of 2009B-4 Bonds	\$76,155,000
	Rounding	\$0
	Total Uses	\$284,435,000

FOR REFUNDING ONLY

**Bond issue being refinanced:** All of the outstanding Kentucky Economic Development Finance Authority Variable Rate Demand Hospital Revenue Bonds, Series 2009B-1 through 2009B-4 (Baptist Healthcare System Obligated Group)

<b>Amount of principal:</b>	Same as to be refunded	<b>Amount to be refunded:</b>	2009B-1 through 2009B-4 = \$284,435,000 (See sources and uses for sub-series amounts)
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**Terms of existing bond issue:**

<b>Net interest rate (spot rates):</b>	2009B-1 = 0.68%	<b>Length of term remaining until mandatory tender:</b>	2009B-1 = 3 years
	2009B-2 = 0.78%		2009B-2 = 3 years
	2009B-3 = 0.64%		2009B-3 = 3 years
	2009B-4 = 0.64%		2009B-4 = 3 years

<b>First call date:</b>	Any date	<b>Call at par:</b>	Any date
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<b>Average annual debt service</b>	2009B-1 through 2009B-4 = \$21,185,491
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REFUNDING ACTIVITY

Funds to apply to refunding:	\$0.00
Proceeds from New Bonds:	\$284,435,000
Released Debt Service Reserve:	\$0.00
Total Available to Pay Old Bond Issue:	\$284,435,000

#### SAVINGS RESULTING FROM REFINANCING

Average annual debt service savings:	\$986,163
Number of years savings will accrue:	16.5
Total present value savings:	\$13,354,931

Assumes: 30-year average of 1-ML, no change to Baptist's credit rating, Baptist's existing variable direct placements could be renewed at existing rates and terms until maturity, PV rate of 4.0%

## **EXHIBIT A**

### **PRIOR BONDS TO BE REFUNDED**

The Prior Bonds will be refunded with the proceeds of the Bonds.

### **PRIOR PROJECTS**

Proceeds of the Prior Bonds were used to finance and refinance all or any portion of the purchase, acquisition, construction, enlargement, remodeling, renovation, improvement, furnishing or equipping of the hospitals, health care and health related facilities, including land, owned or operated by Baptist Health or its affiliates and generally located at the addresses, all as described below:

1. Baptist Health Corbin, generally located at 1 Trillium Way, Corbin, Whitley County, Kentucky (\$20,000,000 maximum principal amount).
  - a. Acquisition, construction or renovation of inpatient and outpatient hospital facilities, including, but not limited to, facilities for surgical, cardiovascular, pharmacy and behavioral health services, and associated medical and office equipment and furnishings.
2. Baptist Health LaGrange, generally located at 1025 New Moody Land, LaGrange, Oldham County, Kentucky (\$6,000,000 maximum principal amount).
  - a. Acquisition, construction or renovation of inpatient and outpatient hospital facilities, including, but not limited to, facilities for women's health, emergency and endoscopy services, and associated medical and office equipment and furnishings.
3. Baptist Health Lexington, generally located at 1740 Nicholasville Road, Lexington, Fayette County, Kentucky (\$60,000,000 maximum principal amount).
  - a. Acquisition, construction or renovation of inpatient and outpatient hospital facilities, including, but not limited to, facilities for surgical, obstetrical, intensive care, emergency, and radiation therapy services, purchase of associated land, and associated site improvements, and associated medical and office equipment and furnishings.
4. Baptist Health Paducah, generally located at 2501 Kentucky Avenue, Paducah, McCracken County, Kentucky (\$71,000,000 maximum principal amount).
  - a. Acquisition, construction or renovation of inpatient and outpatient medical facilities, including, but not limited to, facilities for cardiovascular services and associated medical and office equipment and furnishings.

5. Baptist Health Louisville, generally located at 4000 Kresge Way, St. Matthews, Jefferson County, Kentucky (\$140,000,000 maximum principal amount).
  - a. Acquisition, construction or renovation of inpatient and outpatient medical facilities, medical office buildings and educational buildings, including, but not limited to, facilities for emergency, cardiovascular, surgical, radiology, intensive care, rehabilitation, pediatric, women's health, dialysis, pharmacy, dietary and lab services, and associated medical and office equipment and furnishings.
6. Baptist Health Support Services, generally located at 4007 Kresge Way, St. Matthews, Jefferson County, Kentucky (\$75,000,000 maximum principal amount).
  - a. Acquisition, construction or renovation of facilities and purchase of and upgrades to medical and office equipment and furnishings and information technology infrastructure and equipment.

**SOURCES AND USES**

**Series 2022A-1**  
**Refunding of Baptist's Series 2009B1 and 2009B2 Bonds**

***Sources:***

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Bond Proceeds:	
Par Amount	131,725,000.00
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	131,725,000.00
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***Uses:***

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Refunding Escrow Deposits:	
Cash Deposit	131,725,000.00
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	131,725,000.00
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# SOURCES AND USES OF FUNDS

## Series 2022A-2

### Refunding of Baptist's Series 2009B3 and 2009B4 Bonds

#### ***Sources:***

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Bond Proceeds:	
Par Amount	152,710,000.00
	152,710,000.00

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#### ***Uses:***

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Refunding Escrow Deposits:	
Cash Deposit	152,710,000.00
	152,710,000.00

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**BOND DEBT SERVICE**

**Series 2022A-1  
Refunding of Baptist's Series 2009B1 and 2009B2 Bonds**

<b><i>Period Ending</i></b>	<b><i>Principal</i></b>	<b><i>Coupon</i></b>	<b><i>Interest</i></b>	<b><i>Debt Service</i></b>
08/15/2022			832,611.76	832,611.76
08/15/2023			2,470,758.48	2,470,758.48
08/15/2024			2,477,527.68	2,477,527.68
08/15/2025			2,470,758.48	2,470,758.48
08/15/2026			2,470,758.48	2,470,758.48
08/15/2027	8,825,000	1.850%	2,476,654.07	11,301,654.07
08/15/2028	9,370,000	1.850%	2,317,803.85	11,687,803.85
08/15/2029	9,720,000	1.850%	2,135,969.44	11,855,969.44
08/15/2030	10,045,000	1.850%	1,953,869.06	11,998,869.06
08/15/2031	10,395,000	1.850%	1,765,689.33	12,160,689.33
08/15/2032	10,750,000	1.850%	1,575,232.34	12,325,232.34
08/15/2033	11,145,000	1.850%	1,369,574.74	12,514,574.74
08/15/2034	11,525,000	1.850%	1,160,782.50	12,685,782.50
08/15/2035	11,930,000	1.850%	944,879.31	12,874,879.31
08/15/2036	12,340,000	1.850%	723,336.64	13,063,336.64
08/15/2037	12,450,000	1.850%	489,995.65	12,939,995.65
08/15/2038	13,230,000	1.850%	256,992.79	13,486,992.79
	131,725,000		27,893,194.60	159,618,194.60

**Series 2022A-2**  
**Refunding of Baptist's Series 2009B3 and 2009B4 Bonds**

<i><b>Period Ending</b></i>	<i><b>Principal</b></i>	<i><b>Coupon</b></i>	<i><b>Interest</b></i>	<i><b>Debt Service</b></i>
08/15/2022			1,023,157	1,023,157
08/15/2023			2,748,780	2,748,780
08/15/2024			2,748,780	2,748,780
08/15/2025			2,748,780	2,748,780
08/15/2026			2,748,780	2,748,780
08/15/2027	10,185,000	1.800%	2,748,780	12,933,780
08/15/2028	10,820,000	1.800%	2,565,450	13,385,450
08/15/2029	11,200,000	1.800%	2,370,690	13,570,690
08/15/2030	11,595,000	1.800%	2,169,090	13,764,090
08/15/2031	12,000,000	1.800%	1,960,380	13,960,380
08/15/2032	12,420,000	1.800%	1,744,380	14,164,380
08/15/2033	12,850,000	1.800%	1,520,820	14,370,820
08/15/2034	13,300,000	1.800%	1,289,520	14,589,520
08/15/2035	13,765,000	1.800%	1,050,120	14,815,120
08/15/2036	14,245,000	1.800%	802,350	15,047,350
08/15/2037	15,075,000	1.800%	545,940	15,620,940
08/15/2038	15,255,000	1.800%	274,590	15,529,590
	152,710,000		31,060,387	183,770,387