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

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law as presently interpreted, (i) the interest on the Bonds is excluded from gross income for federal income tax purposes to the extent and subject to the conditions described herein, and (ii) the interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. See "TAX MATTERS" and APPENDIX F hereto.

$106,425,000
COMPOSITE ISSUE

$59,000,000
County of Franklin, Ohio
Variable Rate Revenue Bonds
(Trinity Health Credit Group)
Series 2005B

$15,875,000
Iowa Finance Authority
Variable Rate Revenue Bonds
(Trinity Health Credit Group)
Series 2005C

$31,550,000
Indiana Health and Educational
Facility Financing Authority
Variable Rate Revenue Bonds
(Trinity Health Credit Group)
Series 2005I

Dated: Date of Delivery **Due:** As shown on the inside cover

The Series B Bonds, the Series C Bonds, and the Series I Bonds (collectively, the "Bonds") initially will be issued as auction rate securities. Each Series of Bonds will accrue interest from the date of delivery at an interest rate established by the Underwriter for such Series for the applicable Initial Period shown on the inside cover. Thereafter, each Series of Bonds will accrue interest for subsequent Auction Periods, as set forth on the inside cover, at the Auction Rate determined in accordance with the Auction Procedures described in APPENDIX E hereto, which prospective purchasers of the Bonds should carefully review. While any Series of Bonds bears interest at an Auction Rate, beneficial interests in such Bonds may be transferred only pursuant to a Bid or Sell Order placed in an Auction or to or through a Broker-Dealer. The interest rate on Bonds may be converted from time to time in accordance with the related Indenture to a Daily Rate, a Weekly Rate, Commercial Paper Rates or a Term Rate. While any Series of Bonds bears interest at an Auction Rate, such Bonds will not be subject to optional tender for purchase, nor will they be purchased in the event of an unsuccessful auction (although they will be subject to mandatory tender upon conversion to a different Interest Rate Mode, provided certain conditions to conversion are satisfied, all as described herein). The Bonds will be subject to redemption prior to maturity and to optional and mandatory tender for purchase and remarketing in certain circumstances, all as described herein.

This Official Statement describes certain terms of the Bonds applicable while each Series of Bonds bears interest at an Auction Rate. This Official Statement is not intended to provide information with respect to any Series of Bonds in any Rate Period other than an Auction Rate Period.

The scheduled payment of principal of and interest on each series of Bonds when due will be guaranteed under separate insurance policies to be issued concurrently with the delivery of the Bonds by FINANCIAL SECURITY ASSURANCE INC. (the "Insurer").

The Bonds will be issued as fully registered bonds and initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchase of beneficial interests in the Bonds will be made in book-entry-only form (without physical certificates) and, under limited circumstances, will be exchangeable for physical certificates, as more fully described herein. For so long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, (i) payments of the principal and purchase price of and premium, if any, and interest on the Bonds will be made directly to Cede & Co. for payment to its participants for subsequent disbursement to the beneficial owners, and (ii) all notices, including any notice of redemption or notice of conversion to another Interest Rate Mode, if applicable, shall be mailed only to Cede & Co. See APPENDIX G – "Book-Entry System" herein.

Each Series of Bonds is a limited obligation of the respective Issuer. The principal and purchase price of and premium, if any, and interest on each Series of Bonds shall be payable solely from certain funds and accounts held under the related Indenture and from certain payments to be made by Trinity Health Corporation ("Trinity Health") pursuant to the related Financing Agreement, as described herein. The obligation of Trinity Health to make such payments with respect to each Series of Bonds is evidenced and secured by a separate Obligation issued under and pursuant to the terms of the Master Trust Indenture described herein. Trinity Health is obligated to make payments on each Obligation in amounts sufficient to permit each Issuer to pay when due the principal and purchase price of and premium, if any, and interest on the related Series of Bonds. None of the Issuers, nor any political subdivision thereof nor any other public body shall be obligated to pay the principal or purchase price of or premium, if any, or interest on any Series of Bonds except from said revenues, and neither the faith and credit nor any taxing powers of the Issuers, the State of Indiana, Franklin County, Ohio, the State of Iowa, any political subdivision thereof or any other public body is pledged to the payment of the principal or purchase price of or premium, if any, or interest on any Series of Bonds. Each Series of Bonds and the interest thereon shall never constitute an indebtedness of the related Issuer thereof within the meaning of any Indiana, Ohio or Iowa constitutional or statutory debt limitation and shall neither constitute nor give rise to a pecuniary liability of the State of Indiana, Franklin County Ohio, or the State of Iowa. Neither the Iowa Issuer nor the Indiana Issuer have any taxing powers.

This cover page contains certain information for quick reference only. It is not intended to be a summary of the security or terms of the Bonds offered hereby. Investors are instructed to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of certain legal matters by counsel described herein under the caption "APPROVAL OF LEGALITY." It is expected that each Series of Bonds will be available for delivery to DTC on or about November 17, 2005.

Bear, Stearns & Co. Inc. **Goldman, Sachs & Co.**

Dated: November 8, 2005

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

$59,000,000
County of Franklin, Ohio
Variable Rate Revenue Bonds
(Trinity Health Credit Group)
Series 2005B

Last Day of Initial Period	Auction Period	First Auction Date	First Interest Payment Date	Maturity Date
November 24, 2005	Seven-Day	November 23, 2005	November 25, 2005	November 1, 2040

$15,875,000
Iowa Finance Authority
Variable Rate Revenue Bonds
(Trinity Health Credit Group)
Series 2005C

Last Day of Initial Period	Auction Period	First Auction Date	First Interest Payment Date	Maturity Date
November 27, 2005	Seven-Day	November 25, 2005	November 28, 2005	November 1, 2040

$31,550,000
Indiana Health and Educational Facility Financing Authority
Variable Rate Revenue Bonds
(Trinity Health Credit Group)
Series 2005I

Last Day of Initial Period	Auction Period	First Auction Date	First Interest Payment Date	Maturity Date
November 27, 2005	Seven-Day	November 25, 2005	November 28, 2005	November 1, 2040

The information relating to the Issuers contained herein under the heading "THE ISSUERS" has been furnished by the respective Issuer, and each Issuer guarantees the accuracy and completeness only of the information furnished by such Issuer.

Other than with respect to information concerning the Insurer contained under the caption "BOND INSURANCE" and APPENDIX H – "SPECIMEN BOND INSURANCE POLICIES" herein, none of the information in this Official Statement has been supplied or verified by the Insurer and the Insurer makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Bonds; or (iii) the tax exempt status of the interest on the Bonds.

Such information is believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by any Issuer or the Underwriters. All other information contained herein has been obtained from Trinity Health, DTC, and other sources (other than the Issuers) that are believed to be reliable. Such other information is not guaranteed as to accuracy or completeness by and is not to be relied upon or construed as a promise or representation by any Issuer. The Underwriters have provided the following sentence for inclusion in this Official Statement: *The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their respective 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.*

No dealer, broker, salesperson or other person has been authorized by the Issuers, Trinity Health, the Insurer 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 information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any statement nor any sale made hereunder shall create under any circumstances any implication that there has been no change in the affairs of the Issuers, Trinity Health, the Insurer or DTC since the date hereof. This Official Statement is submitted in connection with the issuance of securities referred to herein and may not be used, in whole or in part, for any other purpose.

IN CONNECTION WITH THE OFFERING OF EACH SERIES OF BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF EACH SERIES OF BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements generally are identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information under the captions "OUTSTANDING INDEBTEDNESS — Anticipated Financings," "PLAN OF FINANCING," and "BONDHOLDERS' RISKS" in the forepart of this Official Statement and the statements under the captions "FINANCIAL AND OPERATING INFORMATION," "MANAGEMENT'S DISCUSSION AND ANALYSIS OF RECENT FINANCIAL PERFORMANCE" and "OTHER INFORMATION — Changes to the Trinity Health Credit Group" in APPENDIX A to this Official Statement. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Trinity Health does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

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$106,425,000
COMPOSITE ISSUE

$59,000,000	**$15,875,000**	**$31,550,000**
County of Franklin, Ohio	**Iowa Finance Authority**	**Indiana Health and Educational Facility**
Variable Rate Revenue Bonds	**Variable Rate Revenue Bonds**	**Financing Authority**
(Trinity Health Credit Group)	**(Trinity Health Credit Group)**	**Variable Rate Revenue Bonds**
Series 2005B	**Series 2005C**	**(Trinity Health Credit Group)**
		Series 2005I

INTRODUCTORY STATEMENT

The following introductory statement is subject in all respects to the more complete information set forth in this Official Statement.

Purpose of Official Statement

The purpose of this Official Statement, including the cover page and the appendices, is to set forth information in connection with the offering of the $59,000,000 aggregate principal amount of Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2005B (the "Series B Bonds") of the County of Franklin, Ohio (the "Ohio Issuer"); the $15,875,000 aggregate principal amount of Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2005C (the "Series C Bonds") of the Iowa Finance Authority (the "Iowa Issuer"); and the $31,550,000 aggregate principal amount of Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2005I (the "Series I Bonds") of the Indiana Health and Educational Facility Financing Authority (the "Indiana Issuer"). The Series B Bonds, the Series C Bonds and the Series I Bonds collectively are referred to herein as the "Bonds" and each series as a "Series of Bonds." The Ohio Issuer, the Indiana Issuer and the Iowa Issuer collectively are referred to herein as the "Issuers" and each as an "Issuer."

The Series B Bonds

The Series B Bonds will be issued pursuant to an Amended and Restated Indenture of Trust (Bond Indenture), dated as of June 1, 1998 (the "Amended and Restated Indenture of Trust"), from the Issuer to U.S. Bank National Association, as successor trustee (the "Ohio Trustee"), as supplemented to date and by the Sixth Supplemental Bond Indenture, dated as of November 1, 2005 (the "Sixth Supplemental Bond Indenture"), between the Issuer and the Trustee (as supplemented, the "Ohio Indenture"). The proceeds of the Series B Bonds will be made available to Mount Carmel Health System, Mount Carmel Health and St. Ann's Hospital of Columbus, Inc. (the "Ohio Designated Affiliates"), each an Ohio nonprofit corporation and a Designated Affiliate, pursuant to an Amended and Restated Agreement of Lease, dated as of June 1, 1998, between the Issuer and the Ohio Designated Affiliates, as supplemented to date and by a Fourth Supplemental Lease, dated as of November 1, 2005 (as supplemented, the "Ohio Lease"), among the Issuer, the Ohio Designated Affiliates and Trinity Health Corporation ("Trinity Health"). Pursuant to the Lease, the Issuer has leased certain hospital facilities (the "Hospital Complex") located in Columbus, Ohio, from the Ohio Designated Affiliates. The Hospital Complex has been subleased by the Issuer to the Ohio Designated Affiliates pursuant to an Amended and Restated Sublease, dated as of June 1, 1998, among the Issuer, Trinity Health and the Ohio Designated Affiliates, as supplemented to date and by a Fourth Supplemental Sublease, dated as of November 1, 2005 (as supplemented, the "Sublease"), among the Issuer, the Ohio Designated Affiliates and Trinity Health. The proceeds of the Series B Bonds will be used, together with other available funds of Trinity Health, (i) to finance the acquisition, construction and equipping of health care facilities located in Ohio, and owned and operated by Designated Affiliates (defined below); and (ii) to pay certain costs of issuing the

Series B Bonds. See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series C Bonds

The Series C Bonds will be issued pursuant to a Bond Indenture, dated as of November 1, 2005 (the "Iowa Indenture"), between the Iowa Issuer and U.S. Bank National Association, as Trustee (the "Iowa Trustee"). The proceeds of the Series C Bonds will provide funds to be loaned by the Iowa Issuer to Trinity Health pursuant to the terms of a Loan Agreement, dated as of November 1, 2005 (the "Iowa Loan Agreement"), between the Iowa Issuer and Trinity Health. The proceeds of such loan will be used, together with other available funds of Trinity Health, (i) to finance certain capital improvements at health care facilities located in Iowa, and owned and operated by Designated Affiliates; and (ii) to pay certain costs of issuing the Series C Bonds. See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series I Bonds

The Series I Bonds will be issued pursuant to a Bond Indenture, dated as of November 1, 2005 (the "Indiana Indenture"), between the Indiana Issuer and U.S. Bank National Association, as Trustee (the "Indiana Trustee"). The proceeds of the Series I Bonds will provide funds to be loaned by the Indiana Issuer to Trinity Health pursuant to the terms of a Loan Agreement, dated as of November 1, 2005 (the "Indiana Loan Agreement"), between the Indiana Issuer and Trinity Health. The proceeds of such loan will be used, together with other available funds of Trinity Health, (i) to finance the acquisition, construction and equipping of health care facilities located in Indiana, and owned and operated by a Designated Affiliate; and (ii) to pay certain costs of issuing the Series I Bonds. See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Ohio Indenture, the Indiana Indenture and the Iowa Indenture collectively are referred to herein as the "Indentures" and each an "Indenture." The Ohio Trustee, the Indiana Trustee and the Iowa Trustee collectively are referred to herein as the "Trustees" and each a "Trustee." The Sublease, the Indiana Loan Agreement and the Iowa Loan Agreement collectively are referred to herein as the "Financing Agreements" and each a "Financing Agreement."

The Issuers

For a description of the Issuers, see "THE ISSUERS" herein.

Trinity Health

Trinity Health is an Indiana nonprofit corporation that is the "parent" organization of a national health care system. Trinity Health is sponsored by Catholic Health Ministries, an association organized under the Roman Catholic Church and comprised of individuals appointed by two religious congregations of women, the Congregation of the Sisters of the Holy Cross, Notre Dame, Indiana, and the Sisters of Mercy, Regional Community of Detroit. Trinity Health is the direct or indirect controlling corporate member or shareholder of various nonprofit and for-profit corporations that own and operate 29 hospitals and a number of other health care facilities in the states of California, Idaho, Indiana, Iowa, Maryland, Michigan and Ohio. Trinity Health was formed in 2000 through the consolidation of the health care systems that had been controlled by Holy Cross Health System Corporation and Mercy Health Services.

Trinity Health and certain of its Affiliates, including all of the current Designated Affiliates, as such terms are defined below, are exempt from federal taxation under Section 501(a) of the Internal

Revenue Code of 1986, as amended, as organizations described in Section 501(c)(3) of the Internal Revenue Code.

Trinity Health Credit Group

The Trinity Health Credit Group (the "Credit Group") was established pursuant to a Master Trust Indenture (Amended and Restated) dated as of July 1, 1998 (the "Master Indenture"), between Trinity Health and J.P. Morgan Trust Company, N.A., as master trustee (the "Master Trustee"). The Credit Group consists of an Obligated Group (the "Trinity Obligated Group" and each member of the Trinity Obligated Group being a "Member" and, collectively, the "Members") and various Designated Affiliates and Affiliates. For more information regarding the Trinity Health Credit Group, see "THE TRINITY HEALTH CREDIT GROUP" herein.

Auction Rates

Each Series of Bonds initially will accrue interest from the date of original delivery (the "Date of the Bonds") to and including the last day of the initial period for such Series of Bonds, as shown on the inside cover (the "Initial Period"), at a rate per annum determined as of the Date of the Bonds. Thereafter, while any Series of Bonds accrues interest at an Auction Rate, the rate of interest, subject to a maximum interest rate of the lesser of 12% per annum or the maximum interest rate permitted by law (the "Maximum Interest Rate"), will be determined pursuant to the Auction Procedures on the Business Day preceding the first day of the related Auction Period by the Auction Agent and will remain in effect until the end of such Auction Period. The first Auction for each Series of Bonds will occur on the respective date set forth on the inside cover. The initial Auction Period for each Series of Bonds is a seven-day Auction Period. While each Series of Bonds is in a seven-day Auction Period, subsequent Auctions for the Series B Bonds will occur generally on each Thursday, and subsequent Auctions for the Series C Bonds and the Series I Bonds will occur generally on each Friday (each, an "Auction Date"). The Auction Dates and Auction Periods for each Series of Bonds are subject to adjustment, as provided in the Auction Procedures described in APPENDIX E hereto. See also "THE BONDS—Description of the Bonds—Conversion from One Auction Period to Another Auction Period" herein.

While any Series of Bonds bears interest at an Auction Rate, such Bonds will not be subject to optional tender for purchase by the holders thereof (although they will be subject to mandatory tender upon Conversion to a different Interest Rate Mode, provided certain conditions to Conversion are satisfied, as described herein). See "THE BONDS—Description of the Bonds—Conversion from Auction Rate Period to Another Rate Period" herein.

Wilmington Trust Company will act as Auction Agent under each Indenture. The Auction Agent may be removed or replaced by Trinity Health in accordance with the terms of the related Indenture and the Auction Agent Agreement, dated the Date of the Bonds (the "Auction Agreement"), entered into between the Auction Agent and the Trustee for each Series of the Bonds.

Security for the Bonds

As security for the repayment obligation of Trinity Health under the Sublease, Trinity Health will issue and deliver to the Ohio Trustee a promissory note (the "Series 2005B Obligation") in a principal amount equal to the principal amount of the Series B Bonds. As security for the repayment obligation of Trinity Health under the Iowa Loan Agreement, Trinity Health will issue and deliver to the Iowa Trustee a promissory note (the "Series 2005C Obligation") in a principal amount equal to the principal amount of the Series C Bonds. As security for the repayment obligation of Trinity Health under the Indiana Loan Agreement, Trinity Health will issue and deliver to the Indiana Trustee a promissory note (the "Series

2005I Obligation") in a principal amount equal to the principal amount of the Series I Bonds. The Series 2005B Obligation, the Series 2005C Obligation and the Series 2005I Obligation collectively are referred to herein as the "Series 2005 Obligations." The Series 2005 Obligations will be issued by Trinity Health under and will be secured by the Master Indenture, as supplemented by Supplemental Master Indenture Number Thirteen, dated as of November 1, 2005 ("Supplement Number 13"), between Trinity Health and the Master Trustee. The Series 2005 Obligations will be general unsecured joint and several obligations of Trinity Health and any future Members of the Trinity Obligated Group.

The terms of the Financing Agreements and the Series 2005 Obligations require payments by Trinity Health sufficient to provide for the timely payment of the principal and purchase price of and premium, if any, and interest on each Series of Bonds. Neither the Designated Affiliates nor the Affiliates will be obligated to make any debt service payments on the Series 2005 Obligations. However, under the Master Indenture, Trinity Health is obligated to cause its Designated Affiliates and to use reasonable efforts to cause its Affiliates, subject in each case to contractual and organizational limitations, to pay, loan or otherwise transfer to Trinity Health such moneys as are necessary to enable Trinity Health to pay principal, premium and interest with respect to all outstanding Obligations issued thereunder, including the Series 2005 Obligations. See "BONDHOLDERS' RISKS—Factors Concerning the Enforceability of Obligations Under the Master Indenture" herein.

For a more complete description of the security for the Bonds, see "OUTSTANDING INDEBTEDNESS" and "THE BONDS—Security for the Bonds—The Master Indenture—The Series 2005 Obligations" herein.

Bond Insurance

The scheduled payment of principal of and interest on each Series of Bonds when due will be guaranteed under separate bond insurance policies (collectively, the "Bond Insurance Policies") to be issued concurrently with the issuance of the Bonds by Financial Security Assurance Inc. (the "Insurer").

Other Financing

Concurrently with the issuance of the Bonds, Trinity Health anticipates that the Ohio Issuer will issue one additional series of bonds bearing interest at a fixed rate (the "Ohio Fixed Rate Bonds"), in the aggregate principal amount of $43,190,000, and the Michigan State Hospital Finance Authority (the "Michigan Issuer") will issue one series of bonds bearing interest at a fixed rate (the "Michigan Fixed Rate Bonds") in the aggregate principal amount of $43,550,000 and four series of bonds bearing interest at variable interest rates (the "Michigan Variable Rate Bonds") in the aggregate principal amount of $189,010,000 (collectively, the "Other 2005 Bonds"), respectively, all for the benefit of Trinity Health. Trinity Health intends to use the proceeds of the Michigan Variable Rate Bonds to finance or refinance the acquisition, construction and equipping of health care facilities located in Michigan, all of which are owned and operated by Designated Affiliates in Michigan and to pay certain costs of issuing the Michigan Variable Rate Bonds. Trinity Health intends to use the proceeds of the Ohio Fixed Rate Bonds and the Michigan Fixed Rate Bonds to advance refund certain bonds (the "Prior Bonds") previously issued by the Ohio Issuer and the Michigan Issuer for the benefit of Trinity Health or one of its Designated Affiliates, and to pay certain costs of issuing the Michigan Fixed Rate Bonds and Ohio Fixed Rate Bonds. See "PLAN OF FINANCING" herein. Each series of Other 2005 Bonds and each of the liquidity facilities for the Michigan Variable Rate Bonds will be secured by a separate Obligation issued by Trinity Health under and secured by the Master Indenture, as supplemented by Supplement Number 13. Each of such Obligations will rank on a parity with all Obligations issued under the Master Indenture, including the Series 2005 Obligations.

The issuance of the Bonds is not dependent on the issuance of the Other 2005 Bonds.

Bondholders' Risks

An investment in the Bonds involves the assumption of certain risks that relate primarily to the ability of Trinity Health and the other members of the Credit Group to generate revenues from operations that will be sufficient to pay debt service on each Series of Bonds and other Indebtedness of the Credit Group. The disclosure of risks contained herein under the caption, "BONDHOLDERS' RISKS," is based upon Trinity Health management's assessment of the impact that such risks might have on Trinity Health and the other members of the Credit Group, taken as a whole. In the event that the identity or composition of the Credit Group changes, the impact of such risks might differ from Trinity Health management's present assessment of the impact of such risks.

Defined Terms

All capitalized terms used in this Official Statement, unless otherwise defined or the context otherwise indicates, have the same meaning included in "Definitions of Certain Terms" in APPENDIX C – "SUMMARY OF FINANCING DOCUMENTS," "Definitions" in APPENDIX D – "SUMMARY OF THE MASTER TRUST INDENTURE (AMENDED AND RESTATED)" and "Definitions" in APPENDIX E – "AUCTION PROCEDURES" hereto.

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 Master Indenture, Supplement Number 13, the Financing Agreements, and the Indentures will be available on and after the date of delivery of the Bonds in reasonable quantities upon request to the related Trustee.

THE ISSUERS

The Ohio Issuer

The Ohio Issuer is a county and political subdivision organized and existing under the laws of the state of Ohio, acting by and through the County Hospital Commission of Franklin County (the "Hospital Commission"). The Hospital Commission was created in 1955 pursuant to Section 339.14 of the Ohio Revised Code for the purpose, among others, of assisting in the construction of hospital facilities in Franklin County, Ohio. Pursuant to Section 339.15 and Chapter 140 of the Ohio Revised Code (the "Ohio Act"), the Ohio Issuer, acting by and through the Hospital Commission, is authorized to issue revenue bonds for the purpose of providing moneys to pay the costs of acquiring, constructing, improving, furnishing and equipping hospital facilities or refunding revenue bonds issued to pay such costs.

THE SERIES B BONDS AND ALL PAYMENTS TO BE MADE BY THE OHIO ISSUER UNDER THE OHIO INDENTURE ARE NOT GENERAL OBLIGATIONS OF THE OHIO ISSUER BUT ARE SPECIAL REVENUE OBLIGATIONS PAYABLE SOLELY FROM THE PAYMENTS ON THE RELATED SERIES 2005B OBLIGATION AND AS PROVIDED IN THE OHIO INDENTURE AND IN THE SUBLEASE. THE SERIES B BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION, DEBT OR BONDED INDEBTEDNESS OR LIABILITY OF THE OHIO ISSUER OR OF THE STATE OF OHIO OR ANY POLITICAL SUBDIVISION THEREOF UNDER THE

CONSTITUTION OF THE STATE OF OHIO OR A PLEDGE OF THE FAITH AND CREDIT OF THE OHIO ISSUER, THE STATE OF OHIO OR ANY POLITICAL SUBDIVISION THEREOF. THE OHIO BONDS WILL NOT CONSTITUTE OR GIVE RISE TO A GENERAL OBLIGATION OR LIABILITY OF, OR A CHARGE AGAINST, THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF OHIO OR ANY POLITICAL SUBDIVISION THEREOF, AND THE HOLDER OR OWNER THEREOF DOES NOT HAVE THE RIGHT TO HAVE TAXES OR EXCISES LEVIED BY THE STATE OF OHIO OR ANY POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF PRINCIPAL OF AND ANY PREMIUM AND INTEREST ON THE BONDS.

The Iowa Issuer

The Iowa issuer is a public instrumentality and agency of the State of Iowa. The Iowa Issuer is authorized by Chapter 16 of the Code of Iowa, as amended (the "Iowa Act"), to issue the Iowa Bonds and to lend the proceeds thereof to Trinity Health, to secure the Iowa Bonds by a pledge of amounts payable by Trinity Health under the Iowa Loan Agreement and the Iowa Indenture.

THE SERIES C BONDS ARE ISSUED UNDER AND PURSUANT TO THE IOWA ACT, AND PURSUANT TO A RESOLUTION ADOPTED BY THE IOWA ISSUER. THE SERIES C BONDS ARE LIMITED OBLIGATIONS OF THE IOWA ISSUER, BUT ARE PAYABLE SOLELY FROM THE REVENUES DESCRIBED IN THE IOWA INDENTURE. THE IOWA BONDS, THE INTEREST THEREON AND ANY OTHER PAYMENTS OR COSTS INCIDENT THERETO DO NOT CONSTITUTE AN INDEBTEDNESS OF THE IOWA ISSUER, THE STATE OF IOWA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS OR A PLEDGE OF THE FAITH AND CREDIT OF THE IOWA ISSUER. THE SERIES C BONDS AND THE INTEREST PAYABLE THEREON DO NOT GIVE RISE TO A PECUNIARY LIABILITY OF THE IOWA ISSUER OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER OF THE IOWA ISSUER, THE STATE OF IOWA OR ANY POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF THE IOWA BONDS OR THE INTEREST THEREON OR OTHER PAYMENTS OR COSTS INCIDENT THERETO. THE IOWA ISSUER HAS NO TAXING POWER.

The Indiana Issuer

The Indiana Issuer was established on May 15, 2005, as the successor to the Indiana Health Facility Financing Authority (the "IHFFA"), which was created in 1983 pursuant to the provisions of Indiana Code 5-1-16, as amended (the "Indiana Act"), and is organized and existing under and by virtue of the provisions of the Indiana Act, as a public body politic and corporate, not an agency of the State of Indiana (the "State"), but an independent public instrumentality exercising essential public functions. Under the Indiana Act, the Indiana Issuer is authorized to make loans to "participating providers" (as defined in the Indiana Act) in order to provide funds to finance, refinance and provide reimbursement for all or a portion of any and all costs authorized under the Indiana Act and related to the acquisition, lease, construction, repair, restoration, reconditioning, refinancing, installation or housing of "health facility property" (as defined in the Indiana Act).

THE SERIES I BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE INDIANA ISSUER AND WILL BE PAYABLE SOLELY FROM AND SECURED EXCLUSIVELY BY PAYMENTS, REVENUES AND OTHER AMOUNTS PLEDGED THERETO PURSUANT TO THE INDIANA INDENTURE. THE SERIES I BONDS DO NOT REPRESENT OR CONSTITUTE A DEBT OF THE INDIANA ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF THE PROVISIONS OF THE CONSTITUTION OR STATUTES OF THE STATE OF INDIANA OR A PLEDGE OF THE FAITH AND CREDIT OF THE INDIANA ISSUER, THE

STATE OF INDIANA OR ANY POLITICAL SUBDIVISION THEREOF, AND THE SERIES I BONDS DO NOT GRANT TO THE OWNERS OR HOLDERS THEREOF ANY RIGHT TO HAVE THE INDIANA ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, LEVY ANY TAXES OR APPROPRIATE FUNDS FOR THE PAYMENT OF THE PRINCIPAL THEREOF OR PREMIUM, IF ANY, OR INTEREST THEREON. THE INDIANA ISSUER HAS NO TAXING POWER.

THE TRINITY HEALTH CREDIT GROUP

Master Indenture

The Credit Group established under the Master Indenture is composed of the Trinity Obligated Group Members (currently consisting of only Trinity Health) and their Affiliates and Designated Affiliates. As such, Trinity Health is the only entity contractually obligated to make payments on Obligations issued under the Master Indenture. The Master Indenture permits Trinity Health to designate a Person (which may but need not be an Affiliate) as a Designated Affiliate, provided that Trinity Health either (i) maintains, directly or indirectly, control of such Designated Affiliate to the extent required to cause such Designated Affiliate to comply with the terms of the Master Indenture that are applicable to it or (ii) has in effect contracts or other agreements that are sufficient to cause such Designated Affiliate to comply with the terms of the Master Indenture that are applicable to it. As of June 30, 2005, there were 18 Designated Affiliates. See APPENDIX A – "INFORMATION CONCERNING TRINITY HEALTH CREDIT GROUP" for a list of the current Designated Affiliates.

"Affiliates" are those entities that are controlled, directly or indirectly, by Trinity Health. "Designated Affiliates" are those entities, which need not be Affiliates, which have been designated as such by Trinity Health pursuant to the Master Indenture. Neither the Designated Affiliates nor the Affiliates are obligated to make any debt service payments on any Obligations. However, pursuant to the Master Indenture, Trinity Health is obligated to cause its Designated Affiliates and to use reasonable efforts to cause its Affiliates, subject in each case to contractual and organizational limitations, to pay, loan or otherwise transfer to Trinity Health such moneys as are necessary to enable Trinity Health to pay the principal, premium and interest with respect to all Obligations issued under the Master Indenture.

Neither the Designated Affiliates nor the Affiliates are obligated to make any debt service payments on any Obligation issued under the Master Indenture.

Trinity Health, at any time and without satisfying any financial or other conditions, may declare that a Designated Affiliate shall no longer be a Designated Affiliate under the Master Indenture, as long as no event of default or no event that, with the passage of time or giving of notice or both, would constitute an event of default has occurred and is continuing under the Master Indenture or would result from the withdrawal of such designation. Accordingly, there can be no assurance that the current Designated Affiliates will continue as such or that other organizations will or will not be so designated. Trinity Health has covenanted in the Continuing Disclosure Agreement (as hereinafter defined) to include a current list of the Designated Affiliates in each Annual Report (as hereinafter defined) to be prepared by Trinity Health pursuant to the Continuing Disclosure Agreement. See "CONTINUING DISCLOSURE" herein.

Admissions to and Withdrawals from Trinity Obligated Group

Other organizations may become Members of the Trinity Obligated Group, and Members (other than Trinity Health) may withdraw from the Trinity Obligated Group in accordance with the provisions of

the Master Indenture, without satisfying any financial conditions. See APPENDIX D – "SUMMARY OF THE MASTER TRUST INDENTURE (AMENDED AND RESTATED)—Covenants."

Designated Affiliates

The current Designated Affiliates generated, in the fiscal year ended June 30, 2005, approximately 82.2% of the total unrestricted revenue and 96.6% of the excess of revenue over expenses of the consolidated results of operations of Trinity Health and, at June 30, 2005, owned, in the aggregate, approximately 85.9% of the total assets and 92.7% of the unrestricted net assets of Trinity Health.

Any Designated Affiliate whose total revenues for any fiscal year exceed 5% of the combined total revenues of the Credit Group for such fiscal year is a "Material Designated Affiliate" under the Master Indenture. Seven of the Designated Affiliates are currently Material Designated Affiliates. Trinity Health has covenanted and any future Members of the Trinity Obligated Group will covenant in the Master Indenture to cause the Material Designated Affiliates to comply with certain covenants that otherwise are not applicable to Designated Affiliates that are not Material Designated Affiliates. See "SECURITY FOR THE BONDS—Security for the Bonds—The Master Indenture—Operational and Financial Covenants" for a description of certain of the covenants that are applicable to all Designated Affiliates and others that are applicable only to Material Designated Affiliates.

Designated Affiliates and Affiliates Not Liable on Obligations

The Series 2005 Obligations will be general unsecured obligations of Trinity Health (and any future Trinity Obligated Group Members), and neither the Designated Affiliates nor the Affiliates will be obligated to pay any debt service thereon. However, Trinity Health covenants and any future Trinity Obligated Group Members will covenant to cause their respective Designated Affiliates and to use reasonable efforts to cause their respective Affiliates, subject in each case to contractual and organizational limitations, to pay, loan or otherwise transfer to Trinity Health such amounts as are necessary, in the aggregate, to enable Trinity Health or such future Trinity Obligated Group Member to pay principal, premium and interest with respect to any Obligation issued pursuant to the Master Indenture, including the Series 2005 Obligations. See "BONDHOLDERS' RISKS—Factors Concerning the Enforceability of Obligations Under the Master Indenture" herein.

Covenants of the Trinity Obligated Group

Certain covenants in the Master Indenture apply only to Trinity Health and any future Members of the Trinity Obligated Group. Trinity Health and any future Trinity Obligated Group Members are obligated not only to comply with certain other covenants but also to cause their respective Designated Affiliates (or, in some instances, their Material Designated Affiliates only) to comply with such covenants. In addition, Trinity Health and any future Trinity Obligated Group Members are obligated to use reasonable efforts to cause those of their respective Affiliates that are not Designated Affiliates to comply with such provisions. See "SECURITY FOR THE BONDS—Security for the Bonds—The Master Indenture—Operational and Financial Covenants" herein.

No Limitation on Incurrence of Debt or Transfer of Assets

The Master Indenture does not limit the ability of any Trinity Obligated Group Member, any Designated Affiliate or any Affiliate to incur Indebtedness or to sell, lease or otherwise dispose of its assets, except that, in the case of Trinity Health and any future Trinity Obligated Group Member, the Master Indenture limits their ability to sell or convey substantially all of their assets. See "SECURITY

FOR THE BONDS—Security for the Bonds—The Master Indenture—Operational and Financial Covenants" herein.

OUTSTANDING INDEBTEDNESS

Outstanding Parity Indebtedness

As of June 30, 2005, Obligations in the aggregate principal amount of approximately $1.75 billion were outstanding, securing bonds previously issued for the benefit of Trinity Health and its Affiliates. Trinity Health also has issued Obligations under the Master Indenture to banks providing liquidity facilities for certain of these revenue bonds in order to evidence and secure its obligations under the agreements entered into with such banks with respect to such liquidity facilities. As of June 30, 2005, the aggregate outstanding principal amount of bonds supported by liquidity facilities was approximately $531 million. These Obligations (other than the Obligations securing the Prior Bonds) will be outstanding on the date of delivery of the Bonds and the Series 2005 Obligations.

As of June 28, 2005, all obligations issued under a Master Trust Indenture, dated as of June 1, 1991 (the "Trinity Health-Michigan Master Indenture"), between Trinity Health-Michigan and several Designated Affiliates formerly part of Mercy Health Services and J.P. Morgan Trust Company, N.A., were fully paid or provision for the full payment thereof was made in accordance with the provisions of the Trinity Health-Michigan Master Indenture.

Other Outstanding Long-Term Indebtedness

As of June 30, 2005, Trinity Health was obligated on approximately $59.1 million of additional Long-Term Indebtedness, none of which is secured by any Obligations.

Anticipated Financings

Trinity Health expects to incur additional indebtedness in the future, which may or may not be secured by Obligations issued under the Master Indenture. There is no limit on the amount of indebtedness that may be incurred by Trinity Health under the Master Indenture. See "PLAN OF FINANCING" below.

PLAN OF FINANCING

The Series B Bonds

The proceeds from the sale of the Series B Bonds will be made available by the Ohio Issuer to Trinity Health pursuant to the terms of the Sublease, and Trinity Health will use a portion of the proceeds of the Series B Bonds to finance the acquisition, construction and equipping of health care facilities located in Ohio, and owned and operated by a Designated Affiliate.

The Series C Bonds

The proceeds from the sale of the Series C Bonds will be loaned by the Iowa Issuer to Trinity Health pursuant to the terms of the Iowa Loan Agreement, and Trinity Health will use a portion of the proceeds of the Series C Bonds to finance the acquisition, construction and equipping of health care facilities located in Iowa, and owned and operated by Designated Affiliates.

The Series I Bonds

The proceeds from the sale of the Series I Bonds will be loaned by the Indiana Issuer to Trinity Health pursuant to the terms of the Indiana Loan Agreement, and Trinity Health will use a portion of the proceeds of the Series I Bonds to finance the acquisition, construction and equipping of health care facilities located in Indiana, and owned and operated by a Designated Affiliate.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds related to the Bonds.

	Series B Bonds	Series C Bonds	Series I Bonds
Sources of Funds			
Par Amount of Bonds	$59,000,000	$15,875,000	$31,550,000
TOTAL SOURCES	$59,000,000	$15,875,000	$31,550,000
Uses of Funds			
Project Costs	$57,448,013	$15,446,855	$30,702,822
Issuance Costs[1]	1,551,987	428,145	847,178
TOTAL USES	$59,000,000	$15,875,000	$31,550,000

[1] Includes legal, printing, Issuers' and rating agency fees, Underwriters' discount, the premium for the Bond Insurance Policies, and other miscellaneous fees and expenses.

SECURITY FOR THE BONDS

General

In each Financing Agreement, Trinity Health agrees to make payments to the related Issuer (the "Payments"), which Payments, in the aggregate, will be in an amount sufficient, together with other available funds, for the payment in full of all amounts payable with respect to the related Bonds, including the total interest payable on such Series of Bonds to their respective dates of maturity, the principal amount of such Series of Bonds, any redemption premiums and certain other fees and expenses (the "Additional Payments"), less any amounts available for such payments, as provided in the related Indenture. Each Series of the Bonds also are payable from bond proceeds and investment earnings thereon, in the manner and to the extent set forth in the related Indenture. Each Series of Bonds is a limited obligation of the related Issuer, payable from Payments to be paid under the related Financing Agreement, from payments required to be made by Trinity Health on the related Series 2005 Obligation and from other funds held under the related Indenture.

The Master Indenture

General. Under the Master Indenture, only Trinity Health and future Trinity Obligated Group Members, if any, will be obligated to make payments on the Series 2005 Obligations. However, under the Master Indenture, Trinity Health and any future Trinity Obligated Group Members are obligated to cause their respective Designated Affiliates and to use reasonable efforts to cause their Affiliates, subject in each case to contractual and organizational limitations, to pay, loan or otherwise transfer to Trinity Health such moneys as are necessary to enable Trinity Health to pay principal, premium and interest with respect to Obligations issued thereunder, including the Series 2005 Obligations. This agreement is

subject to legal and contractual limitations that may render Trinity Health and any future Trinity Obligated Group Members unable to cause a Designated Affiliate or an Affiliate to make such payments or transfer such amounts. The Master Indenture does not contain any specific requirements for the type of powers Trinity Health or any future Trinity Obligated Group Members must have over the Designated Affiliates or Affiliates or the type of contractual rights or form of contract Trinity Health or any future Trinity Obligated Group Members must have with the Designated Affiliates or Affiliates. Accordingly, no assurance can be given that Trinity Health or any future Trinity Obligated Group Members will be able to exercise such powers over the Designated Affiliates or Affiliates. See "BONDHOLDERS' RISKS—Factors Concerning the Enforceability of Obligations Under the Master Indenture" herein.

The Series 2005 Obligations. Concurrently with the issuance of each Series of Bonds and to secure Trinity Health's obligation to make Payments pursuant to the respective Financing Agreements, Trinity Health will issue and deliver the related Series 2005 Obligation to each respective Trustee. The Series 2005 Obligations will obligate Trinity Health and any future Trinity Obligated Group Member to make payments to the related Trustee in such amounts and prior to such times as the related Trustee is required to make debt service payments on each Series of Bonds. The Series 2005 Obligations will be general unsecured joint and several obligations of Trinity Health and any future Members of the Trinity Obligated Group. See APPENDIX D – "SUMMARY OF THE MASTER TRUST INDENTURE (AMENDED AND RESTATED)—OBLIGATIONS."

Operational and Financial Covenants. The Master Indenture imposes certain limited restrictions upon Trinity Health and any future Trinity Obligated Group Members for the benefit of the holders of the Obligations (including the Series 2005 Obligations). These covenants relate to the following matters, among others: (i) the admission of a Member into and the withdrawal of a Member from the Trinity Obligated Group, (ii) limitations on mergers involving Trinity Health or any future Trinity Obligated Group Member, (iii) limitations on sales of all or substantially all of the assets of Trinity Health or any future Trinity Obligated Group Member and (iv) limitations on the creation of Liens by Trinity Health, any future Trinity Obligated Group Member and any Material Designated Affiliate in order to secure their respective Indebtedness, including (in the case of the creation of Liens) certain financial restrictions. (Affiliates and Designated Affiliates that are not Material Designated Affiliates are not subject to the aforementioned covenants respecting limitations on the creation of Liens, and Affiliates and Designated Affiliates are not subject to the aforementioned covenant respecting limitations on mergers.) However, the Master Indenture includes no financial covenants that must be satisfied in the case of a merger involving Trinity Health or any future Trinity Obligated Group Members, the sale of all or substantially all of the assets of Trinity Health or any future Trinity Obligated Group Members, the admission of a Member into the Trinity Obligated Group or the withdrawal of a Member from the Trinity Obligated Group. Additionally, the Master Indenture includes no restrictions on the designation or the discontinuation of the designation of a Designated Affiliate by a Member of the Trinity Obligated Group, other than restrictions applicable upon the occurrence of an event of default under the Master Indenture or the occurrence of an event that, with the passage of time or the giving of notice or both, would constitute an event of default under the Master Indenture.

The Master Indenture does not limit the amount of debt that may be incurred by the members of the Credit Group or restrict the ability of the members of the Credit Group to transfer property (other than all or substantially all of the assets of Trinity Health or any future Trinity Obligated Group Members), including cash, marketable securities or receivables, to anyone, including to organizations that are not Affiliates. Pursuant to the Master Indenture, Trinity Health, any future Trinity Obligated Group Members and any Material Designated Affiliates (the financial statements of which are not consolidated into those of Trinity Health) are required, among other things, to prepare certain audited and unaudited financial statements and to cause their respective Designated Affiliates to comply with and to use reasonable efforts to cause their respective Affiliates to comply with recommendations relating to rates, fees and

charges made by any Consultant that Trinity Health is required to retain in the event that the Historical Debt Service Coverage Ratio of the Credit Group for any Fiscal Year is less than 1.10 to 1.00.

Certain Amendments of the Master Indenture Without Consent. The Master Indenture may be amended without the consent of or notice to the holders of the Obligations to make any changes thereto (other than changes resulting in (i) an extension of the stated maturity or reduction of 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 Obligation, (ii) a reduction of the aggregate principal amount of Obligations the holders of which are required to consent to any Supplemental Master Indenture requiring the consent of holders of the Obligations at the time outstanding which would be affected by the action to be taken, (iii) the creation of any Lien ranking prior to or on a parity with the Lien of the Master Indenture with respect to the trust estate, if any, subject to the Master Indenture or the termination of the Lien of the Master Indenture on any Property at any time subject thereto or the deprivation of the holder of any Obligation of the security afforded by the Lien of the Master Indenture, except as otherwise thereby permitted, or (iv) modifications of the rights, duties or immunities of the Master Trustee, without the written consent of the Master Trustee), as long as the Historical Debt Service Coverage Ratio of the Credit Group for the immediately preceding Fiscal Year was not less than 1.50 to 1.00; provided, however, that no such amendment may (a) lower the Historical Debt Service Coverage Ratio required to be maintained by the Credit Group below 1.10 to 1.00 or (b) increase the percentages set forth in subparagraphs (h) and (m) of the definition of "Permitted Encumbrances" (as set forth in the Master Indenture and summarized in APPENDIX D hereto), which subparagraphs prescribe the extent to which Trinity Health, any future Trinity Obligated Group Members and any Material Designated Affiliates may create Liens on accounts receivable and other property of such persons to secure Indebtedness, or otherwise alter the covenants in the Master Indenture relating to limitations on Liens on Property of Trinity Obligated Group Members and Material Designated Affiliates. See APPENDIX D – "SUMMARY OF THE MASTER TRUST INDENTURE (AMENDED AND RESTATED)—Supplemental Master Indentures."

Trustees as Holders of the Series 2005 Obligations. Under the Master Indenture, the Ohio Trustee is the holder of the Series 2005B Obligation, the Iowa Trustee is the holder of the Series 2005C Obligation and the Indiana Trustee is the holder of the Series 2005I Obligation. Each Trustee may and, at the direction of the Insurer, shall exercise any and all of the rights granted to the holders of the Series 2005 Obligations under the Master Indenture, including the right to consent to amendments of the Master Indenture and the right, under certain circumstances, to direct the Master Trustee to exercise remedies and grant waivers upon the occurrence of an event of default thereunder.

Permitted Senior Indebtedness. Pursuant to the Master Indenture, Trinity Health agrees that it will not and that it will not permit any of its Material Designated Affiliates to create or incur or permit to be created or incurred or to exist any Lien on any of their Property to secure Indebtedness, except for Permitted Encumbrances. Permitted Encumbrances include, among other things, (i) Liens on Property existing as of the effective date of the Master Indenture, (ii) Liens on Property existing on the date an entity becomes a Trinity Obligated Group Member, (iii) Liens on Property existing on the date an entity becomes a Designated Affiliate, but only if, at the time such entity became a Designated Affiliate, such entity constitutes a Material Designated Affiliate, and (iv) any other Liens on Property securing Indebtedness, provided that the aggregate Book Value (or at the option of Trinity Health, Current Value) of the Credit Group's Property subject to Liens securing Indebtedness does not exceed twenty-five percent (25%) of the combined value of the total net assets of the Credit Group (as shown on the financial statements for the Credit Group for the most recently completed fiscal year). See APPENDIX D – "SUMMARY OF THE MASTER TRUST INDENTURE (AMENDED AND RESTATED)—DEFINITIONS—Permitted Encumbrances (subparagraph (m) and Covenants—Liens on Property)."

The Indentures, the Financing Agreements and the Series 2005 Obligations

Each Series of the Bonds is a special limited obligation of the respective Issuer, in each case payable solely from Revenues pledged under the applicable Indenture for such payment. Revenues consist primarily of Payments required to be made by Trinity Health under the related Financing Agreement. Each Issuer will assign its right, title and interest in the applicable Financing Agreement (except for the right to receive administrative fees and expenses to the extent payable to the Issuer, the right of the Issuer to be indemnified, and the obligation of Trinity Health to make payments pursuant to the Non-Arbitrage Certificate) to the related Trustee.

The obligation of Trinity Health to make payments under each Financing Agreement at the times and in the amounts necessary to pay the principal of and premium, if any, and interest on the related Series of Bonds is the general unsecured obligation of Trinity Health, which obligation is evidenced and secured by the related Series 2005 Obligation. The Series 2005B Obligation secures only the Series B Bonds. The Series 2005C Obligation secures only the Series C Bonds. The Series 2005I Obligation secures only the Series I Bonds.

The Series 2005 Obligations will be general unsecured joint and several obligations of the Trinity Obligated Group Members. Upon the issuance of the Bonds, Trinity Health will be the only Member of the Trinity Obligated Group.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF EACH RESPECTIVE ISSUER. THE BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE RELATED ISSUER, OF ANY STATE, OF ANY POLITICAL SUBDIVISION THEREOF OR OF ANY OTHER PUBLIC BODY OR A PLEDGE OF THE FAITH AND CREDIT OF ANY STATE OR OF ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR. THE ISSUERS SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OR PURCHASE PRICE OF OR THE PREMIUM, IF ANY, OR THE INTEREST ON THE BONDS EXCEPT FROM THE FUNDS PROVIDED UNDER THE APPLICABLE INDENTURE, FINANCING AGREEMENT AND SERIES 2005 OBLIGATION. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY ISSUER, OF ANY STATE, OF ANY POLITICAL SUBDIVISION THEREOF OR OF ANY OTHER PUBLIC BODY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF OR THE PREMIUM, IF ANY, OR THE INTEREST ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE ANY STATE, ANY POLITICAL SUBDIVISION THEREOF OR ANY OTHER PUBLIC BODY TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR PAYMENTS WITH RESPECT TO THE BONDS. NEITHER THE INDIANA ISSUER NOR THE IOWA ISSUER HAVE ANY TAXING POWERS.

The Indentures and the Financing Agreements may be amended from time to time, in certain circumstances without the consent of the related Bondholders but with the consent of the Insurer. Such amendments could be substantial and result in the modification, waiver or removal of any existing covenant or restriction contained in the Indentures or the Financing Agreements. See "—Bond Indentures—Particular Covenants—Amendment of Loan Agreement" and "—Bond Indentures—Amendment of Indenture" in APPENDIX C – "SUMMARY OF FINANCING DOCUMENTS."

Replacement Master Indenture

Each Indenture provides that the related Series 2005 Obligation will be surrendered by the related Trustee and delivered to the Master Trustee for cancellation upon satisfaction of certain requirements that

include receipt by the related Trustee and the related Issuer of (a) a request from Trinity Health requesting such surrender and delivery and stating that Trinity Health has become a member of an obligated group under a replacement master indenture (other than the Master Indenture) and that an obligation is being issued to the related Trustee under such replacement master indenture (the "Replacement Master Indenture"); (b) a properly executed obligation issued under the Replacement Master Indenture with the same tenor and effect as the related Series 2005 Obligation delivered for cancellation; (c) written confirmation from each rating agency then rating the Bonds that the replacement of the related Series 2005 Obligation will not, by itself, result in a reduction in the then-current ratings on the Bonds; (d) certain opinions of counsel described in the related Indenture; and (e) all applicable consents.

BOND INSURANCE

Bond Insurance Policies

Concurrently with the issuance of the Bonds, the Insurer will issue its Bond Insurance Policies. The Bond Insurance Policies guarantee the scheduled payment of principal of and interest on each Series of Bonds when due as set forth in the form of the Bond Insurance Policy included as APPENDIX H to this Official Statement. Payment of the purchase price upon any tender of the Bonds is not insured by the Bond Insurance Policy.

The Bond Insurance Policies are not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Financial Security Assurance Inc.

The Insurer is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Financial Security Assurance Holdings Ltd. ("Holdings"). Holdings is an indirect subsidiary of Dexia, S.A., a publicly held Belgian corporation, and of Dexia Credit Local, a direct wholly-owned subsidiary of Dexia, S.A. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance, banking and asset management in France, Belgium and other European countries. No shareholder of Holdings or the Insurer is liable for the obligations of the Insurer.

At June 30, 2005, the Insurer's total policyholders' surplus and contingency reserves were approximately $2,365,896,000 and its total unearned premium reserve was approximately $1,719,641,000 in accordance with statutory accounting practices. At June 30, 2005, the Insurer's total shareholders' equity was approximately $2,819,103,000 and its total net unearned premium reserve was approximately $1,404,195,000 in accordance with generally accepted accounting principles.

The financial statements included as exhibits to the annual and quarterly reports filed by Holdings with the Securities and Exchange Commission ("SEC") are hereby incorporated herein by reference. Also incorporated herein by reference are any such financial statements so filed from the date of this Official Statement until the termination of the offering of the Bonds. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

The Bond Insurance Policies do not protect investors against changes in market value of the Bonds, which market value may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes. The Insurer makes no representation regarding the Bonds or the advisability of investing in the Bonds. The Insurer makes no representation regarding the Official Statement, nor has it participated in the preparation thereof, except that the Insurer has provided to the

Issuers and Trinity Health the information presented under this caption for inclusion in the Official Statement.

Disclaimer

The information relating to the Insurer and the Bond Insurance Policies contained herein has been furnished by the Insurer. No representation is made by the Issuers, Trinity Health or the Underwriters as to the accuracy, completeness or adequacy of such information or as to the absence of material adverse changes in the condition of the Insurer subsequent to the date of this Official Statement. Additional financial information with respect to the Insurer is on file with the State of New York Insurance Department. Prospective purchasers of the Bonds may contact such Insurance Department to obtain such information. Reference is made to APPENDIX H for a specimen of the Bond Insurance Policies.

DESCRIPTION OF THE BONDS

This Official Statement describes certain terms of the Bonds applicable while each Series of Bonds bears interest at a Auction Rate and is not intended to provide information with respect to the Bonds of any Series in any Rate Period other than an Auction Rate. Upon a Conversion of the Bonds of any Series to another Interest Rate Mode (described below), a reoffering circular will be distributed describing the terms of such Series while they bear interest in the new Interest Rate Mode.

General

Each Series of Bonds is being issued in the respective aggregate principal amounts set forth on the cover page hereof and will mature on the respective maturity dates set forth on the inside cover page hereof, subject to redemption prior to maturity.

Each Series of Bonds initially will accrue interest at an Auction Rate unless and until the Interest Rate Mode (as defined below) for such Bonds is converted to a different Interest Rate Mode, as permitted under the related Indenture. The permitted Interest Rate Modes are the "Auction Rate," the "Commercial Paper Rate," the "Daily Rate," the "Weekly Rate" and the "Term Rate." Each Indenture relating to the Bonds requires that all such Bonds within a Series be in the same Interest Rate Mode.

While any Series of Bonds bears interest at an Auction Rate, the interest rate on such Bonds shall be determined in accordance with the Auction Procedures described in APPENDIX E, provided that the interest rate or rates borne by any Bond may not exceed the Maximum Interest Rate. Interest accruing on the Bonds at an Auction Rate will be computed on the basis of a 360-day year for the actual number of days elapsed, except that interest during a six-month Auction Period or a Special Auction Period of more than 180 days shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest payments on a Bond shall be made on each Interest Payment Date (as defined below) to the holder thereof appearing on the registration books maintained by the related Trustee as of the close of business on the record date for the Bonds for such Interest Payment Date. "Interest Payment Date" means, with respect to any Bond, the respective initial Interest Payment Dates for each Series set forth on the inside cover hereof, each Conversion Date and the maturity date for such Bond and, if the Interest Rate Mode for such Bond is the Auction Rate, (a) when used with respect to any Auction Period other than a daily Auction Period or a Special Auction Period, the Business Day immediately following each such Auction Period, (b) when used with respect to a daily Auction Period, the first Business Day of the month immediately succeeding such Auction Period, and (c) when used with respect to a Special Auction Period of (i) seven or more but fewer than 92 days, the Business Day immediately following such Special Auction Period or (ii) 92 or more days, each thirteenth Wednesday after the first day of such Special

Auction Period or the next Business Day if such Wednesday is not a Business Day and on the Business Day immediately following such Special Auction Period.

Bonds authenticated when the Interest Rate Mode for such Bonds is the Auction Rate shall be in denominations of $25,000 and integral multiples thereof. Except as provided in the respective Indenture, the related Trustee will not be required to register the transfer or exchange of any Bond during the fifteen days preceding the date on which notice of redemption of such Series of Bonds is given or after such Bond has been called for redemption. The related Trustee shall require the holder requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange, and the related Trustee also may require the holder requesting such transfer or exchange to pay a reasonable sum to cover expenses incurred by the related Trustee or the related Issuer in connection with such transfer or exchange.

While any Series of Bonds bears interest at an Auction Rate, such Bonds will not be subject to optional tender for purchase, nor will they be purchased in the event of an unsuccessful auction (although they will be subject to mandatory tender upon Conversion to a different Interest Rate Mode, provided certain conditions to Conversion are satisfied, as described below).

Initial Interest Rate Mode. Each Series of Bonds initially will accrue interest from the Date of the Bonds to and including the last day of the Initial Period for such Series of Bonds, as shown on the inside cover, at a rate per annum determined as of the Date of the Bonds. Thereafter, while any Series of Bonds accrues interest at an Auction Rate, the rate of interest, subject to the Maximum Interest Rate, will be determined pursuant to the Auction Procedures on the Business Day preceding the first day of the related Auction Period by the Auction Agent and will remain in effect until the end of such Auction Period. The first Auction for each Series of Bonds will occur on the respective Auction Date set forth on the inside cover. The initial Auction Period for each Series of Bonds is a seven-day Auction Period. While each Series of Bonds is in a seven-day Auction Period, subsequent Auctions for the Series B Bonds will occur generally on each Thursday, and subsequent Auctions for the Series C Bonds and the Series I Bonds will occur generally on each Friday. The Auction Dates and Auction Periods for each Series of Bonds are subject to adjustment, provided in the Auction Procedures. See APPENDIX E – "AUCTION PROCEDURES."

The Rate Period for each Series of Bonds may be converted from an Auction Rate Period to a different Rate Period, as described under "DESCRIPTION OF THE BONDS - Conversion from Auction Rate Period to Another Rate Period," herein.

Orders by Existing Holders and Potential Holders. The procedures for submitting Orders prior to the Submission Deadline on each Auction Date during an Auction Rate Period are described in APPENDIX E hereto, as are the particulars with regard to the determination of the Auction Rate and the allocation of Bonds bearing interest at an Auction Rate.

Conversion from One Auction Period to Another Auction Period. During any Auction Rate Period, Trinity Health may, from time to time on the last Interest Payment Date of an Auction Period for any Series of Bonds, change the length of the Auction Period with respect to such Series of Bonds between daily, seven days, 28 days, 35 days, three months, six months and a Special Auction Period by giving written notice to the related Issuer, the related Trustee, the Auction Agent, the applicable Broker-Dealers and The Depository Trust Company ("DTC") of such change. The change in the length of an Auction Period for any Series of Bonds shall not be allowed unless Sufficient Clearing Bids existed at the Auction before the date on which notice of the proposed change was given, the Auction immediately preceding the proposed change, and the Auction on the Auction Date for such first Auction Period. Additionally, if the change is to a Special Auction Period with a length equal to or in excess of one year,

such change will be effective only if a Favorable Opinion of Bond Counsel is delivered to the related Issuer, Trinity Health and the related Trustee. If any of these conditions are not satisfied, the Auction Rate for the next Auction Period shall be the Maximum Interest Rate and the Auction Period shall be a seven-day Auction Period. See APPENDIX E – "AUCTION PROCEDURES" hereto.

Conversion from Auction Rate Period to Another Rate Period. At the option of Trinity Health, any Series of Bonds may be converted to bear interest at a Daily Rate, a Weekly Rate, Commercial Paper Rates or a Term Rate. Trinity Health has covenanted to initiate efforts to convert any Series of Bonds to a Term Rate Period extending to the maturity date of such Series of Bonds in the event such Series of Bonds bears interest at the Maximum Interest Rate for a period of 60 or more consecutive days. On the Conversion Date, the Bonds of such Series shall be subject to mandatory tender for purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued interest. See "DESCRIPTION OF THE BONDS—Payment of Purchase Price," herein. **The obligation to purchase Bonds upon a mandatory tender for purchase is not supported by a liquidity facility or by a covenant of Trinity Health or the other members of the Credit Group to maintain levels of liquid assets.** In the event that the conditions to a Conversion from an Auction Rate Period are not satisfied, the Bonds of such Series will not be subject to mandatory purchase and will be returned to their holders. The Bonds of such Series shall bear interest following the proposed Conversion in the Rate Period at the Maximum Interest Rate for a seven-day Auction Period and, thereafter, at the Auction Rates and for Auction Periods determined in accordance with the Auction Procedures. It currently is anticipated that, if Trinity Health elects to convert any Series of Bonds from an Auction Rate Period to another Rate Period, a remarketing memorandum will be distributed describing such Series of Bonds and such Rate Period. Mandatory conversion is required by the Insurer if the Bonds bear interest at the Maximum Interest Rate.

The related Trustee will notify each owner of a Bond that is to be converted by first class mail at least 15 days before each Conversion Date with respect to such Bonds. The notice will state, among other things, that the Bonds of such Series are subject to mandatory purchase on the Conversion Date.

No Purchase of Bonds on Demand of Owner. While the Bonds of any Series bear interest at the Auction Rate, such Bonds will not be subject to optional tender for purchase.

Payment of Purchase Price. Payment of the purchase price of any Bond subject to mandatory purchase will be payable upon delivery of such Bond to the Tender Agent. Any such Bond must be accompanied by an instrument of transfer, in form satisfactory to the Tender Agent, executed in blank by the holder or by the holder's duly-authorized attorney, with signature guaranteed by an eligible guarantor institution, and must be delivered to the designated office of the Tender Agent at or prior to 3:00 p.m. (New York City time) for payment of the purchase price on such day.

Any Bond (or portion thereof) as to which a notice of demand for purchase has been given or which is subject to mandatory purchase and for which moneys for the payment of the purchase price have been deposited with the Tender Agent will nevertheless be deemed to be purchased on the Purchase Date whether or not such Bond has been delivered to the Tender Agent. Thereafter, such Bond will not be transferable and will not be outstanding under the related Indenture, and the owner of such Bond will be entitled only to payment of the purchase price of such Bond by the Tender Agent from those moneys deposited with the Tender Agent.

On each Conversion Date for Bonds bearing interest at an Auction Rate, such Bonds are subject to mandatory purchase under the related Indenture, and such Bonds are required to be purchased from the following sources and in the order of priority indicated:

(a) Proceeds of the remarketing of such Bonds to persons other than Trinity Health, the other members of the Credit Group or the related Issuer pursuant to the related Indenture and furnished to the Tender Agent by the Remarketing Agent and deposited directly into, and held in, the Remarketing Proceeds Account of the Bond Purchase Fund established with the Tender Agent under the related Indenture (the "Purchase Fund"); and

(b) Moneys paid by Trinity Health (including the proceeds of the remarketing of such Bonds to Trinity Health, the other members of the Credit Group or the related Issuer), at its option, to pay the purchase price furnished to the Tender Agent.

The Purchase Fund shall be held on and after any Purchase Date solely for the benefit of the owners of Bonds purchased on such Purchase Date and shall not be invested or commingled with any other funds of the Tender Agent.

The failure of Trinity Health to pay the purchase price of any tendered Bond upon a failed proposed Conversion from an Auction Rate Period to a different Rate Period shall not constitute an Event of Default under the related Financing Agreement, the Master Indenture or the related Indenture. **The obligation to purchase Bonds subject to mandatory purchase is not supported by a liquidity facility or by a covenant of Trinity Health or the other members of the Credit Group to maintain levels of liquid assets.** No assurance can be made that sufficient funds will exist to purchase Bonds subject to mandatory purchase. Payment of the purchase price upon any tender of the Bonds is not insured under the Bond Insurance Policy for any Series of the Bonds.

Special Considerations Relating to the Bonds Bearing Interest at Auction Rates. Trinity Health and the Auction Agent will enter into an agreement with a Broker-Dealer with respect to each Series of Bonds and may enter into similar agreements (each, a "Broker-Dealer Agreement" and, collectively, the "Broker-Dealer Agreements") with one or more additional broker-dealers (each, a "Broker-Dealer" and, collectively, the "Broker-Dealers") selected by Trinity Health and the Auction Agent, which provide for their participation in Auctions. The Auction Agent will pay to each Broker-Dealer after each Auction, from funds provided by Trinity Health, a service charge that will be based on a rate expressed as a percentage of the stated value of the Bonds held by such Broker-Dealer's customers upon settlement in an Auction calculated on an annualized basis. A Broker-Dealer may share a portion of such fee with non-participating broker-dealers that submit Bids to the Broker-Dealer that are fulfilled at an Auction. The initial Broker-Dealer for the Series B Bonds and the Series C Bonds is Goldman, Sachs & Co., and for the Series I Bonds is Bear, Stearns & Co. Inc.

The Auction Agreement provides that the Auction Agent may resign from its duties as Auction Agent by giving at least 90 days' notice or, if it has not been paid, 30 days' notice to the related Issuer, Trinity Health and the related Trustee, and it is not required, as a condition to the effectiveness of such resignation, that a replacement auction agent be in place if the fees of the Auction Agent have not been paid. In addition, Trinity Health or the Insurer may remove the Auction Agent at any time by written notice delivered to the related Trustee and the related Issuer. Each Broker-Dealer Agreement provides that the Broker-Dealer thereunder may resign upon 5 business days' notice or, in certain circumstances, immediately and it is not required, as a condition to the effectiveness of such resignation that a replacement Broker-Dealer be in place. For any Auction Period during which there is no duly appointed Auction Agent or during which there is no duly appointed Broker-Dealer, it will not be possible to hold Auctions, and the interest rate on the Bonds will be determined as follows: (i) if the preceding Auction Period was a period of 35 days or less, the new Auction Period will be the same as the preceding Auction Period and the Auction Rate for the new Auction Period will be the same as the Auction Rate for the preceding Auction Period, and (ii) if the preceding Auction Period uses a period of greater than 35 days, the preceding Auction Period will be extended to the next Monday (or if such Monday is not followed by

a Business Day then to the next succeeding day which is followed by a Business Day) and the Auction Rate for the new Auction Period will continue in effect for the Auction Period as so extended. In the event the Auction Period is extended as set forth in clause (ii) of the preceding sentence, an Auction shall be held on the last Business Day of the Auction Period, as so extended, to take effect for an Auction Period beginning on the Business Day immediately following the last day of the Auction Period, as extended, which Auction Period will end on the date it would otherwise have ended on had the prior Auction Period not been extended. Notwithstanding the foregoing, no Auction Rate shall be extended for more than 35 days. If at the end of 35 days the Auction Agent fails to calculate or provide the Auction Rate, the Auction Rate shall be the Maximum Interest Rate.

Each Broker-Dealer Agreement provides that a Broker-Dealer may submit Orders in Auctions for its own account and the Broker-Dealer will agree to handle customers' orders in accordance with its duties under applicable securities laws and rules. Any Broker-Dealer submitting an Order for its own account in any Auction could have an advantage over other Potential Owners in that the Broker-Dealer would have knowledge of other Orders placed through it in that Auction. A Broker Dealer would not, however, have knowledge of Orders submitted by other Broker-Dealers, if any. As a result of bidding by a Broker-Dealer in an Auction, the Auction Rate may be higher or lower than the rate that would have prevailed had the Broker-Dealer not bid. A Broker-Dealer may also bid in an Auction in order to prevent what would otherwise be (a) an unsuccessful Auction, or (b) the implementation of an Auction Rate that the Broker-Dealer believes, in its sole judgment, does not reflect the market for such securities at the time of the Auction. A Broker-Dealer may also encourage additional or revised investor bidding in order to prevent an "all-hold" Auction.

According to published news reports, the SEC has requested information from a number of broker-dealers regarding certain of their practices in connection with auction rate securities, such as the practices described in the preceding paragraph. Bear, Stearns & Co. Inc. and Goldman, Sachs & Co. each have advised the Issuers and Trinity Health that (i) it, as a participant in the auction rate securities markets, has received a letter from the SEC requesting that it voluntarily conduct an investigation regarding certain of its practices and procedures in connection with those markets and (ii) it is cooperating and expects to continue to cooperate with the SEC in providing the requested information. No assurance can be given as to whether the results of this process will affect the market for the Bonds or the Auctions therefor.

During an Auction Rate Period, a beneficial owner of a Bond may sell, transfer or dispose of a Bond only pursuant to a Bid or Sell Order in accordance with the Auction Procedures (see APPENDIX E – "AUCTION PROCEDURES" herein) or through a Broker-Dealer. The ability to sell a Bond in an Auction may be adversely affected if there are not sufficient buyers willing to purchase all the Bonds at a rate equal to or less than the Maximum Interest Rate. Bear, Stearns & Co. Inc. and Goldman, Sachs & Co. each have advised the Issuers and Trinity Health that it intends initially to make a market in the Bonds underwritten by such firm between Auctions; however, it is not obligated to make such markets, and no assurance can be given that secondary markets therefor will develop or be maintained. A Broker-Dealer may, in its own discretion, decide to sell the Bonds in the secondary market to investors at any time and at any price, including at prices equivalent to, below, or above the par value of the Bonds.

Changes to the Auction Periods and Auction Dates do not require the amendment of the Auction Procedures.

Redemption

Optional Redemption. While an Auction Rate Period is in effect with respect to any Series of the Bonds, the Bonds of such Series are subject to redemption prior to their stated maturity, at the option of

Trinity Health, as Obligated Group Agent, given to the related Trustee at least twenty-five days prior to the date fixed for redemption (or such fewer number of days as is acceptable to the Trustee), in whole or in part (in such amounts as may be specified by the Obligated Group Agent), on any Interest Payment Date at a redemption price equal to the principal amount of Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Mandatory Redemption.

The Series B Bonds. The Series B Bonds are subject to redemption in part prior to their stated maturity from Sinking Fund Installments in the amounts set forth below on any November 1 on or after November 1, 2019 at the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium.

Sinking Fund Installment Date (November 1)	Sinking Fund Installments	Sinking Fund Installment Date (November 1)	Sinking Fund Installments
2019	$1,900,000	2030	$2,675,000
2020	1,975,000	2031	2,750,000
2021	2,025,000	2032	2,850,000
2022	2,100,000	2033	2,925,000
2023	2,150,000	2034	3,025,000
2024	2,225,000	2035	3,125,000
2025	2,300,000	2036	3,200,000
2026	2,375,000	2037	3,300,000
2027	2,425,000	2038	3,400,000
2028	2,525,000	2039	3,525,000
2029	2,600,000	2040†	3,625,000

The Series C Bonds. The Series C Bonds are subject to redemption in part prior to their stated maturity from Sinking Fund Installments in the amounts set forth below on any November 1 on or after November 1, 2019, at the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium.

† Final Maturity

Sinking Fund Installment Date (November 1)	Sinking Fund Installments	Sinking Fund Installment Date (November 1)	Sinking Fund Installments
2019	$500,000	2030	$725,000
2020	525,000	2031	750,000
2021	550,000	2032	775,000
2022	575,000	2033	800,000
2023	575,000	2034	800,000
2024	600,000	2035	825,000
2025	625,000	2036	850,000
2026	625,000	2037	900,000
2027	650,000	2038	925,000
2028	675,000	2039	950,000
2029	700,000	2040†	975,000

The Series I Bonds. The Series I Bonds are subject to redemption in part prior to their stated maturity from Sinking Fund Installments in the amounts set forth below on any November 1 on or after November 1, 2019, at the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium.

Sinking Fund Installment Date (November 1)	Sinking Fund Installments	Sinking Fund Installment Date (November 1)	Sinking Fund Installments
2019	$1,025,000	2030	$1,425,000
2020	1,050,000	2031	1,475,000
2021	1,075,000	2032	1,525,000
2022	1,125,000	2033	1,575,000
2023	1,150,000	2034	1,625,000
2024	1,200,000	2035	1,650,000
2025	1,225,000	2036	1,725,000
2026	1,275,000	2037	1,775,000
2027	1,300,000	2038	1,825,000
2028	1,350,000	2039	1,875,000
2029	1,375,000	2040†	1,925,000

Notwithstanding the foregoing, while the Bonds of any Series bear interest at an Auction Rate in any Auction Period other than a daily Auction Period, if such November 1 is not an Interest Payment Date, the redemption of Bonds of such Series shall occur on the Interest Payment Date immediately preceding such November 1. Bonds of any Series in a Special Auction Period may be redeemed prior to the end of the Special Auction Period pursuant to the related sinking fund redemption schedule set forth above.

Extraordinary Redemption of Bonds. The Bonds are subject to redemption prior to their stated maturity, at the option of Trinity Health, as Obligated Group Agent, given to the related Trustee at least twenty-five days prior to the date fixed for redemption (or such fewer number of days as is acceptable to

† Final Maturity

the Trustee) in whole or in part (in such amounts and from such Series as may be specified by the Obligated Group Agent) on any date, from hazard insurance or condemnation proceeds received with respect to the facilities of any of the members of the Credit Group and deposited in the Special Redemption Account, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium.

The Bonds of each Series are also subject to redemption prior to their stated maturity, at the option of Trinity Health, as Obligated Group Agent, given to the related Trustee at least forty-five days prior to the date fixed for redemption (or such fewer number of days as is acceptable to the related Trustee), as a whole (but not in part) on any date at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium, if (i) any member of the Credit Group, by reason of final judicial, legislative or administrative action, either is legally required, by reason of being party to a Financing Agreement or the Master Indenture or a member of the Credit Group or as a condition of continued eligibility for reimbursement under a federal or state program, to operate in any manner that such member of the Credit Group in good faith believes to be contrary to the Ethical and Religious Directives or (ii) any member of the Credit Group in good faith believes that there is a substantial threat of its being required to operate contrary to the Ethical and Religious Directives or the principles and beliefs of the Roman Catholic Church.

Notice of Redemption; Effect of Redemption; Rescission of Notice of Redemption. Notice of redemption will be mailed by the related Trustee, not less than 10 days and not more than 60 days prior to the redemption date, to the respective holders of any Bonds designated for redemption at their addresses appearing on the bond registration books of the related Trustee. The failure by the related Trustee to mail notice of redemption to any one or more of the holders of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for the redemption of such Series of Bonds with respect to the holder or holders to whom such notice was mailed. Notice of redemption having been given as described above and moneys for payment of the redemption price of, together with interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the related Trustee, the Bonds (or portions thereof) so called for redemption shall become due and payable at the redemption price (and accrued interest) specified in such notice, interest on such Bonds shall cease to accrue from and after the redemption date, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the related Indenture, and the holders of said Bonds shall have no rights in respect thereof except to receive payment of said redemption price and accrued interest to the date fixed for redemption from funds held by the related Trustee for such payment. Any notice of redemption may be rescinded by written notice given to the related Trustee by the Obligated Group Agent no later than five Business Days prior to the redemption date, in which case the related Trustee will give notice of such rescission as soon as practicable to the holders to whom notice of redemption was given.

Book-Entry System

Each Series of Bonds will be issued only in book-entry form and, when issued, will be registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC, as nominee of DTC. DTC will act as securities depository for the Bonds. Except as described in APPENDIX G, Beneficial Owners of the Bonds will not receive or have the right to receive physical delivery of certificates representing their ownership interests in the Bonds. For so long as any purchaser is the Beneficial Owner of a Bond, such purchaser must maintain an account with a broker or dealer who is or acts through a Direct Participant to receive payment of the principal and purchase price of and interest and premium on such Bond. See APPENDIX G – "BOOK-ENTRY SYSTEM."

So long as any Series of Bonds is held in the book-entry system, the principal and purchase price of and interest and premium on such Bonds will be paid through the facilities of DTC (or a successor

securities depository). Otherwise, the principal and purchase price of or premium on the Bonds is payable upon surrender thereof at the designated office of the related Trustee; and interest on the Bonds is payable by check of the related Trustee mailed on the Interest Payment Date for such Series of Bonds to such holder at the address of such holder as it appears on the registration books maintained by the related Trustee or at such other address furnished in writing by such holder to the related Trustee prior to the record date for such Series of Bonds. In the case of any holder of any Series of Bonds in an aggregate principal amount of $1,000,000 or more as of the close of business of the related Trustee on the record date for a particular Interest Payment Date, interest on such Bonds is payable by wire transfer sent on the Interest Payment Date for such Series of Bonds to such holder to an account within the continental United States of America as specified in writing by such holder to the related Trustee.

Trinity Health and the Issuers cannot and do not give any assurances that DTC will distribute to DTC Participants or that DTC Participants or others will distribute to the Beneficial Owners payments of the principal and purchase price of and interest and premium, if any, on the Bonds or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. None of Trinity Health or the Issuers are responsible or liable for the failure of DTC or any DTC Participant or DTC Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the Bonds or any error or delay relating thereto.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each of Trinity Health's fiscal years ending June 30, the estimated amounts required to be made available for the payment of principal due on each Series of Bonds, at maturity or by mandatory sinking account redemption, for the payment of interest on each Series of Bonds and for the total debt service on the Bonds. The following table also includes the estimated debt service due on the Other 2005 Bonds and all bonds previously issued for the benefit of Trinity Health.

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Year Ending June 30,	The Bonds						Total Debt Service on the Other 2005 Bonds[1]	Total Debt Service on Outstanding Bonds[1][2]	Total Debt Service
	Series B Bonds		Series C Bonds		Series I Bonds				
	Principal	Interest[1]	Principal	Interest[1]	Principal	Interest[1]			
2006		$ 963,667		$259,292		$515,317	$ 4,878,377	$111,818,809	$118,435,461
2007		1,794,583		482,865		959,646	19,511,330	102,056,295	124,804,719
2008		1,799,500		484,188		962,275	18,996,625	102,577,673	124,820,260
2009		1,794,583		482,865		959,646	19,197,481	102,403,484	124,838,059
2010		1,794,583		482,865		959,646	18,963,781	102,658,532	124,859,407
2011		1,794,583		482,865		959,646	22,296,183	99,346,718	124,879,996
2012		1,799,500		484,188		962,275	13,082,837	108,564,350	124,893,149
2013		1,794,583		482,865		959,646	12,079,500	109,578,116	124,894,710
2014		1,794,583		482,865		959,646	18,307,198	103,367,487	124,911,779
2015		1,794,583		482,865		959,646	18,608,189	103,082,239	124,927,522
2016		1,799,500		484,188		962,275	16,758,079	104,936,801	124,940,843
2017		1,794,583		482,865		959,646	25,480,654	96,248,735	124,966,483
2018		1,794,583		482,865		959,646	27,951,019	93,808,908	124,997,021
2019		1,794,583		482,865		959,646	27,900,987	93,899,002	125,037,084
2020	$1,900,000	1,765,775	$500,000	475,313	$1,025,000	944,081	13,155,543	99,246,757	119,012,469
2021	1,975,000	1,701,900	525,000	458,381	1,050,000	909,919	12,507,333	98,949,454	118,076,986
2022	2,025,000	1,640,944	550,000	441,971	1,075,000	877,540	7,810,076	97,662,647	112,083,178
2023	2,100,000	1,578,025	575,000	424,800	1,125,000	843,958	7,815,732	97,191,001	111,653,517
2024	2,150,000	1,517,337	575,000	408,406	1,150,000	811,475	7,808,150	97,116,768	111,537,137
2025	2,225,000	1,446,546	600,000	389,379	1,200,000	773,435	7,808,443	97,153,070	111,595,873
2026	2,300,000	1,377,544	625,000	370,687	1,225,000	736,494	7,801,614	97,121,467	111,557,806
2027	2,375,000	1,306,260	625,000	351,677	1,275,000	698,350	7,801,980	97,170,528	111,603,796
2028	2,425,000	1,236,431	650,000	333,113	1,300,000	660,888	7,790,682	97,156,187	111,552,300
2029	2,525,000	1,157,610	675,000	312,013	1,350,000	618,702	7,798,406	97,229,711	111,666,442
2030	2,600,000	1,079,483	700,000	291,040	1,375,000	577,198	7,791,158	97,121,228	111,535,106
2031	2,675,000	999,075	725,000	269,306	1,425,000	534,492	7,783,206	97,287,684	111,698,763
2032	2,750,000	918,800	750,000	247,463	1,475,000	491,556	7,778,844	43,907,812	58,319,474
2033	2,850,000	830,973	775,000	223,558	1,525,000	444,517	7,784,329	43,933,865	58,367,241
2034	2,925,000	742,960	800,000	199,544	1,575,000	397,248	7,766,549	33,091,266	47,497,567
2035	3,025,000	652,225	800,000	175,210	1,625,000	348,458	7,762,470	33,817,309	48,205,672
2036	3,125,000	559,869	825,000	150,819	1,650,000	299,350	4,649,763	38,631,897	49,891,697
2037	3,200,000	462,071	850,000	124,900	1,725,000	247,077	4,646,876	38,729,961	49,985,884
2038	3,300,000	362,971	900,000	98,163	1,775,000	193,725	4,648,704	9,669,037	20,947,599
2039	3,400,000	260,829	925,000	70,346	1,825,000	138,852	4,650,588	9,674,966	20,945,581
2040	3,525,000	155,506	950,000	41,850	1,875,000	82,619	4,643,913		11,273,888
2041	3,625,000	46,219	975,000	12,431	1,925,000	24,544	4,647,563		11,255,757

(1) Assumes that interest on all insured variable rate bonds is payable at a rate of 3% per annum and on all uninsured variable rate bonds at a rate of 3.25% per annum. Trinity Health has entered into interest rate swap agreements with respect to certain outstanding indebtedness. Debt service requirements in the table do not account for any interest rate swap agreements. Actual interest rates may vary from the assumed interest rates.

(2) Does not include debt service payments on $59 million of other long-term indebtedness.

PENDING LITIGATION

The Ohio Issuer

To the knowledge of the officers of the Ohio Issuer, there is no pending litigation of any nature against the Ohio Issuer seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series B Bonds, or in any way contesting or affecting the validity of the Series B Bonds, any proceedings of the Ohio Issuer taken concerning the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the Series B Bonds, or the existence or powers of the Ohio Issuer relating to the issuance of the Series B Bonds.

The Iowa Issuer

There is no pending litigation served upon the Iowa Issuer or, to the knowledge of the Iowa Issuer, threatened against the Iowa Issuer restraining or enjoining the issuance or sale of the Series C Bonds or contesting the validity of the Series C Bonds, the Iowa Indenture or the Iowa Loan Agreement or the applicable powers of the Iowa Issuer or the creation, organization or existence of the Iowa Issuer or the title of any of the present members or officers of the Iowa Issuer to their respective offices or affecting the pledge or application of any moneys or security provided for the payment of the Series C Bonds.

The Indiana Issuer

There is no pending litigation served upon the Indiana Issuer or, to the knowledge of the Indiana Issuer, threatened against the Indiana Issuer restraining or enjoining the issuance or sale of the Series I Bonds or contesting the validity of the Series I Bonds, the Indiana Indenture or the Indiana Loan Agreement or the applicable powers of the Indiana Issuer or the creation, organization or existence of the Indiana Issuer or the title of any of the present members or officers of the Indiana Issuer to their respective offices or affecting the pledge or application of any moneys or security provided for the payment of the Series I Bonds.

Trinity Health and the Members of the Credit Group

On July 21, 2004, three plaintiffs filed a class action suit against Trinity Health-Michigan, Trinity Health, and the American Hospital Association in the United States District Court for the Eastern District of Michigan. The complaint asserted a number of state and federal claims pertaining to charity care obligations to the uninsured. The plaintiffs request an unspecified amount of economic damages, a constructive trust to be imposed on the defendants' assets and revenues in an amount sufficient to provide the plaintiffs and the proposed class affordable medical care, as well as certain other unspecified equitable relief. On September 30, 2005, the suit was dismissed by order of the United States District Court, in which the case was pending, granting Trinity Health's motion for summary judgment. It is not known whether the matter will be appealed or refiled in State Court.

Except as described above, Trinity Health has advised that there is no litigation or proceedings pending or threatened against it or any Member of the Credit Group, except litigation or proceedings in which the estimated probable ultimate recoveries and the costs and expenses of defense, in the opinion of management of Trinity Health, (i) will be entirely within applicable commercial insurance policy limits (subject to applicable deductibles) or are not in excess of the total available accounting reserves held under applicable self-insurance programs, or (ii) will not have a material adverse effect on the operations or financial condition of the Credit Group, taken as a whole. See also APPENDIX A – "INFORMATION CONCERNING TRINITY HEALTH CREDIT GROUP—OTHER INFORMATION—Compliance Matters" and "—Malpractice Litigation Affecting Trinity Health."

CONTINUING DISCLOSURE

Trinity Health

Pursuant to a Master Continuing Disclosure Agreement (Amended and Restated) (the "Disclosure Agreement") with J.P. Morgan Trust Company, N.A., as Dissemination Agent, dated as of November 1, 2000, Trinity Health, for the benefit of the holders and beneficial owners of the Bonds, will provide certain financial statements and updated financial information and operating data annually, and timely notices of specified material events to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depositories (collectively, the "SIDs") for the states of Ohio, Indiana and Iowa, if any. The Disclosure Agreement also requires Trinity Health to provide to the NRMSIRs and the SIDs, on a timely basis, notice of its failure to provide such financial information and operating data within the time period specified in the Disclosure Agreement. Financial information and operating data will be available to securities brokers and others who subscribe to receive the information from the NRMSIR or the SIDs. Trinity Health will comply with the Disclosure Agreement as long as the Bonds remain outstanding.

Trinity Health may provide certain financial statements and updated financial information and operating data (collectively, the "Annual Report") in full text or may incorporate by reference certain other publicly available documents, as permitted by Rule 15c2-12 (the "Rule") promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended.

The financial statements included in the Annual Report will consist of the audited consolidated financial statements of Trinity Health, the audited financial statements of any Material Designated Affiliate, the financial statements of which are not consolidated into those of Trinity Health, and such other financial statements, which may be unaudited, as are required to be delivered by Trinity Health pursuant to the Disclosure Agreement. If any such audited financial statements are not available at the time Trinity Health is required to provide the Annual Report to the NRMSIRs and the SIDs, Trinity Health will file such financial statements in unaudited form and will file such financial statements in audited form promptly upon their becoming available. All such financial statements will be prepared in accordance with generally accepted accounting principles.

The information included in each Annual Report will consist of (i) all quantitative financial information and operating data for the relevant fiscal year with respect to Trinity Health and the Designated Affiliates of the general type included in APPENDIX A to this Official Statement under the captions "TRINITY HEALTH CREDIT GROUP—Utilization Trends," "FINANCIAL AND OPERATING INFORMATION—Designated Affiliates," "—Sources of Net Patient Service Revenue—General," and "—Capitalization"; (ii) a calculation of the Historical Debt Service Coverage Ratio for the relevant fiscal year; and (iii) a current list of the Designated Affiliates. Trinity Health will provide the Annual Report to the NRMSIRs and the SIDs within 150 days after the end of each fiscal year of Trinity Health, commencing with the fiscal year ending June 30, 2006. Alternatively to filing the Annual Reports, event notices and other notices required under the Rule with the NRMSIRs and the SIDs, Trinity Health may make such filings with DisclosureUSA, the central post office of The Municipal Advisory Council of Texas ("DisclosureUSA").

The Disclosure Agreement also requires Trinity Health to provide to the NRMSIRs and the SIDs notice of the occurrence of any of the following events:

(i) Principal and interest payment delinquencies on any Series of Bonds;

(ii) Non-payment related defaults under any Financing Agreement or any Indenture;

(iii) Unscheduled draws on debt service reserves, if any, securing any Series of Bonds reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements for any Series of Bonds, if any, reflecting financial difficulties;

(v) Substitution of credit or liquidity providers securing any Series of Bonds, or their failure to perform;

(vi) Adverse tax opinions or events affecting the tax-exempt status of any Series of Bonds;

(vii) Modifications to rights of the holders of any Series of Bonds;

(viii) Bond calls (other than scheduled mandatory sinking fund redemptions);

(ix) Defeasances of any Series of Bonds;

(x) Release, substitution or sale of property, if any, securing repayment of any Series of Bonds; and

(xi) Changes in or withdrawals of any ratings affecting any Series of Bonds.

In addition to the Annual Report, Trinity Health will provide to the NRMSIRs and the SIDs quarterly unaudited financial information for the first three quarters of each fiscal year not later than 90 days after the end of each such quarter. Trinity Health also will provide such unaudited financial information at the same time as the filing with the NRMSIRs to any beneficial owner of the Bonds who requests such information within 75 days after the end of each such quarter (such request to remain in effect for subsequent filings until changed or revoked by such Bondholders). The unaudited financial information will include a consolidated balance sheet and a consolidated statement of operations presented on a basis substantially consistent with the format of the respective financial statements included in APPENDIX B to this Official Statement. Quarterly information will be conveyed via mail, facsimile, electronic transfer or such other alternate means of communication acceptable to Trinity Health. Beneficial owners of the Bonds should direct their requests for such quarterly financial information to the Manager, Debt Administration, at (248) 489-6625. Beneficial owners of any Series of Bonds may request quarterly information beginning with the quarter commencing October 1, 2005, which quarterly information will be provided to beneficial owners by March 16, 2006.

These covenants have been made in order to assist the Underwriters in complying with the Rule. Trinity Health currently provides its Annual Report and quarterly unaudited financial information for the first three quarters of each fiscal year to the NRMSIRs and to certain SIDs pursuant to the Disclosure Agreement. Trinity Health and Trinity Health – Michigan have never failed to comply in all material respects with any previous undertakings with regard to the provision of reports or notices of material events.

The Issuers

The Ohio Issuer and the Iowa Issuer have determined that no financial or operating data concerning it is material to any decision to purchase, hold or sell the Bonds, and no Issuer will provide any such information. Trinity Health, on behalf of itself and the Credit Group, has undertaken all responsibilities for any continuing disclosure to holders of the Bonds as described above, and no Issuer shall have liability to the holders or any other person with respect to such disclosures.

BONDHOLDERS' RISKS

The purchase of the Bonds involves investment risks that are discussed throughout this Official Statement. Prospective purchasers of the Bonds should evaluate all of the information presented in this Official Statement. This section on Bondholders' Risks focuses primarily on the general risks associated with hospital or health system operations; whereas Appendix A describes Trinity Health specifically. These should be read together.

The operations and financial condition of the Credit Group may be affected by factors other than those described below. No assurance can be given as to the nature of such factors or the potential effects thereof upon the Credit Group.

General

Except as noted under "SECURITY FOR THE BONDS," the Bonds of each Series are payable only from Payments made pursuant to the related Financing Agreements and funds provided under the related Series 2005 Obligations and the related Indentures. No representation or assurance can be made that revenues will be realized by Trinity Health in amounts sufficient to pay principal of and interest on the Bonds.

Trinity Health is subject to a wide variety of federal and state regulatory actions and legislative and policy changes by those governmental and private agencies that administer Medicare, Medicaid and other payors and are subject to actions by, among others, the National Labor Relations Board, the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO"), the Centers for Medicare and Medicaid Services ("CMS") of the U.S. Department of Health and Human Services ("DHHS"), and other federal, state and local government agencies. The future financial condition of Trinity Health could be adversely affected by, among other things, changes in the method and amount of payments to Trinity Health by nongovernmental payors, the financial viability of these payors, increased competition from other health care entities, demand for health care, other forms of care or treatment, changes in the methods by which employers purchase health care for employees, capability of management, future changes in the economy, demographic changes, availability of physicians and nurses, and malpractice claims and other litigation. These factors and others may adversely affect payment by Trinity Health under the Financing Agreement and, consequently, on the Bonds.

Significant Risk Areas Summarized

Certain of the primary risks associated with the operations of Trinity Health are briefly summarized in general terms below and are explained in greater detail in subsequent sections.

Reliance on Medicare. Inpatient hospitals rely to a high degree on payment from the federal Medicare program. Future changes in the underlying law and regulations, as well as in payment policy and timing, create uncertainty and could have a material adverse affect on hospitals' payment stream from Medicare. With health care and hospital spending reported to be increasing faster than the rate of general inflation, Congress and/or CMS may take action in the future to decrease or restrain Medicare outlays for hospitals.

Managed Care Exposure. Certain hospital markets, including many communities in which Trinity Health Designated Affiliates operate, are strongly affected by managed care. In those areas, managed care companies have significant influence over hospital rates, utilization and competition. Rate pressure imposed by managed care payors may have a material adverse impact on hospitals, particularly if major purchasers put increasing pressure on payors to restrain rate increases. Business failures by

managed care companies also could have a material adverse impact on contracted hospitals in the form of payment shortfalls or delay, and/or continuing obligations to care for managed care patients without receiving payment.

Capital Needs vs. Capital Capacity. Hospital operations are capital intensive. Regulation, technology and physician/patient expectations require constant and often significant capital investment. Total capital needs may exceed capital capacity.

Government "Fraud" Enforcement. "Fraud" in government funded health care programs is a significant concern of DHHS, CMS and many states and is one of the federal government's prime law enforcement priorities. The federal government and, to a lesser degree, state governments impose a wide variety of extraordinarily complex and technical requirements intended to prevent over-utilization based on economic inducements, misallocation of expenses, overcharging and other forms of "fraud" in the Medicare and Medicaid programs, as well as other state and federally-funded health care programs. This body of regulation affects a broad spectrum of hospital commercial activity, including billing, accounting, recordkeeping, medical staff oversight, physician contracting and recruiting, cost allocation, clinical trials, discounts and other functions and transactions.

Violations and alleged violations may be deliberate, but also frequently occur in circumstances where management is unaware of the conduct in question, as a result of mistake, or where the individual participants do not know that their conduct is in violation of law. Violations may occur and be prosecuted in circumstances that do not have the traditional elements of fraud, and enforcement actions may extend to conduct that occurred in the past. The government periodically conducts widespread investigations covering categories of services or certain accounting or billing practices.

Violations and Sanctions. The government and/or private "whistleblowers" often pursue aggressive investigative and enforcement actions. Governmental agencies have a wide array of civil, criminal and monetary penalties, including withholding essential hospital payments from the Medicare or Medicaid programs, or exclusion from those programs. Aggressive investigation tactics, negative publicity and threatened penalties can be, and often are, used to force settlements, payment of fines and prospective restrictions that may have a materially adverse impact on hospital operations, financial condition and reputation. Multi-million dollar fines and settlements are common. These risks are generally uninsured. Government enforcement and private whistleblower suits may increase in the hospital sector. Most large hospital systems are likely to be adversely impacted.

Nursing Shortage. Currently, a nursing shortage exists which may have its primary impact on hospitals. Various studies have predicted that this nursing shortage will become more acute over time and grow to significant proportions. Hospital operations, patient and physician satisfaction, financial condition and future growth could be negatively affected by nursing shortages, resulting in material adverse impact to hospitals.

Technical and Clinical Developments. New clinical techniques and technology, as well as new pharmaceutical and genetic developments and products, may alter the course of medical diagnosis and treatment in ways that are currently unanticipated, and that may dramatically change medical and hospital care. These could result in higher hospital costs, reductions in patient populations and/or new sources of competition for hospitals.

Costs and Restrictions from Governmental Regulation. Nearly every aspect of hospital operations is regulated, in some cases by multiple agencies of government. The level and complexity of regulation appears to be increasing, bringing with it operational limitations, enforcement and liability risks, and significant and sometimes unanticipated cost increases.

Proliferation of Competition. Hospitals increasingly face competition from specialty providers of care. This may cause hospitals to lose essential inpatient or outpatient market share. Competition may be focused on services or payor classifications where hospitals realize their highest margins, thus negatively affecting programs that are economically important to hospitals. These new sources of competition may have a material adverse affect on hospitals, particularly where a group of a hospital's principal physician admitters may curtail their use of a hospital service in favor of competitive facilities.

Labor Costs and Disruption. Hospitals are labor intensive. Labor costs, including salary, benefits and other liabilities associated with the workforce, have significant impact on hospital operations and financial condition. Hospital employees are increasingly organized in collective bargaining units and may be involved in work actions of various kinds, including work stoppages and strikes. Overall costs of the hospital workforce are high, and turnover is high. Pressure to recruit, train and retain qualified employees is expected to accelerate. These factors may materially increase hospital costs of operation. Workforce disruption may negatively affect hospital revenues and reputation.

State Medicaid Programs. While state Medicaid programs are rarely as important to hospital financial results as Medicare, they nevertheless constitute an important payor source to many hospitals. These programs often pay hospitals at levels that may be below the actual cost of the care provided. As Medicaid is partially funded by states, the significantly deteriorated financial condition of states is likely to result in lower funding levels and/or payment delays. These could have a material adverse affect on hospitals.

General Economic Conditions; Bad Debt and Indigent Care. Economic downturns and lower funding of state Medicaid programs may increase the number of patients treated by hospitals who are uninsured or otherwise unable to pay for some or all of their care. These conditions may give rise to increased bad debt and higher indigent care utilization. At the same time, nonoperating revenue from investments may be reduced or eliminated. These factors may have a material adverse affect on hospitals.

Medical Liability Litigation and Insurance. Medical liability litigation is subject to public policy determinations and legal and procedural rules that may be altered from time to time, with the result that the frequency and cost of such litigation, and resultant liabilities, may increase in the future. Hospitals may be affected by negative financial and liability impacts on physicians. Costs of insurance, including self-insurance, may increase dramatically.

Facility Damage. Hospitals are highly dependent on the condition and functionality of their physical facilities. Damage from natural causes, fire, deliberate acts of destruction, or various facilities system failures may have a material adverse affect on hospital operations and financial status.

Factors Concerning the Enforceability of Obligations Under the Master Indenture

The Master Indenture. Trinity Health does not have sufficient assets or revenues of its own to pay debt service on the Obligations issued under the Master Indenture, including the Series 2005 Obligations. Trinity Health is dependent on the Designated Affiliates and Affiliates to provide it with revenues sufficient to meet such debt service obligations, and only Trinity Health and any future Members of the Trinity Obligated Group are under any legal obligation to make such debt service payments under the Master Indenture. In addition, as provided in the Master Indenture, the ability of the other members of the Credit Group to transfer funds to Trinity Health and to any future Members of the Trinity Obligated Group in amounts sufficient to enable Trinity Health and any future Members of the Trinity Obligated Group to meet their debt service obligations is subject to contractual and organizational limitations.

In calculating the Historical Debt Service Coverage Ratio under the Master Indenture, the accounts of the members of the Credit Group will be combined, notwithstanding uncertainties as to the ability of Trinity Health to compel the Designated Affiliates and other Affiliates to provide funds to Trinity Health and to any future Members of the Trinity Obligated Group for the payment of debt service on the Obligations, including the Series 2005 Obligations.

The joint and several obligation described herein of each Member of the Trinity Obligated Group to pay debt service on the Series 2005 Obligations may not be enforceable against a Member, and the ability of Designated Affiliates or other Affiliates to transfer funds to Trinity Health for the purpose of paying debt service on the Series 2005 Obligations may be limited or proscribed, to the extent that (i) such payments will be made on an Obligation issued for the benefit of an entity other than such Member, Designated Affiliate or Affiliate and for a purpose that is not consistent with the charitable purposes of the organization from which such payment or transfer is requested; (ii) the transfer of funds from a Designated Affiliate or other Affiliate to provide for such payment or the payment of such Obligation by another Member of the Trinity Obligated Group may violate charitable trust principles, which vary from jurisdiction to jurisdiction, that are applicable to such Designated Affiliate, other Affiliate or Member; (iii) such payment is requested to be made from any property that is donor restricted or that is subject to a direct or express trust that does not permit the use of such property for such payments or transfers; (iv) such payments would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the organization from which such payment or transfer is requested; or (v) such payment is made from the proceeds of any loan violating applicable usury laws. The ability of Trinity Health to cause its Designated Affiliates and its Affiliates to transfer funds to Trinity Health for the purpose of paying debt service on the Series 2005 Obligations additionally may be limited by contractual and organizational limitations imposed on the Designated Affiliates or Affiliates, as the case may be. Due to the absence of clear legal precedent in this area, the extent to which the property of any future Member of the Trinity Obligated Group, the Designated Affiliates or the Affiliates may be applied or transferred to Trinity Health as described above cannot be determined.

In addition to the limitations on enforceability described in the immediately preceding paragraph, a future Member of the Trinity Obligated Group may not be required to make payments on an Obligation, and neither a Designated Affiliate nor an Affiliate may be required to transfer funds to Trinity Health or to any future Member of the Trinity Obligated Group for the purpose of making debt service payments on an Obligation, in either case, if such Obligation is issued by or for the benefit of another organization, to the extent that any such payment or transfer would render such Member, Designated Affiliate or Affiliate insolvent or would conflict with, not be permitted by or be subject to recovery for the benefit of other creditors of such Member, Designated Affiliate or Affiliate under applicable fraudulent conveyance, bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights. There is no clear legal precedent as to whether such payments or transfers may be voided by a trustee in bankruptcy in the event of a bankruptcy of such Member, Designated Affiliate or Affiliate or by third party creditors in an action brought pursuant to fraudulent conveyance statutes of the states in which such Member, Designated Affiliate or Affiliate is incorporated or doing business. Under the United States Bankruptcy Code, a trustee in bankruptcy and, under fraudulent conveyance statutes of the states in which the Trinity Obligated Group Members, Designated Affiliates and Affiliates are incorporated or doing business, a creditor of a guarantor may avoid any obligation incurred by a guarantor, if, among other bases therefor, (i) the guarantor has not received fair consideration or reasonably equivalent value in exchange for the guaranty, and (ii) the guarantor is insolvent or the guaranty renders the guarantor insolvent, as defined in the United States Bankruptcy Code or fraudulent conveyance statutes of such states, 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 any Member of the Trinity Obligated Group to pay debt service on an Obligation issued by or for the benefit of another organization or to compel a Designated Affiliate or Affiliate to transfer funds for such purposes, a court might not enforce such Obligation in the event that it is determined that such Member, Designated Affiliate or Affiliate is analogous to a guarantor, that fair consideration or reasonably equivalent value for such guaranty was not received and that the incurrence of such obligation has rendered or will render such Member, Designated Affiliate or Affiliate insolvent or that such Member, Designated Affiliate or Affiliate is or will thereby become undercapitalized.

In addition to the foregoing, common law authority and authority under various state statutes authorize courts to terminate the existence of a nonprofit corporation or to supervise its affairs on various grounds, including a finding that such corporation has insufficient assets to carry out its stated charitable purposes or has taken some action that either renders it unable to carry out such purposes or has violated such purposes. Such court action may arise on the court's own motion or pursuant to a petition of the Attorney General of a particular state or 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 the funds of charitable trusts to their intended charitable uses.

The practical ability of each Trustee to enforce its rights and remedies against Trinity Health under the related Financing Agreement and the related Series 2005 Obligation and of the Master Trustee to enforce its rights and remedies against Trinity Health under the Master Indenture will depend upon the exercise of various remedies specified by such documents, which in many instances may require judicial actions that are often subject to discretion and delay or that otherwise may not be readily available or may be limited. See "SECURITY FOR THE BONDS—The Master Indenture."

Bond Insurance Policies

So long as the Insurer has not failed to perform its obligations under the Bond Insurance Policy, the Bonds cannot be accelerated without the prior written consent of the Insurer, including, without limitation, if the tax-exempt status of the interest on such Series of Bonds is lost. Furthermore, so long as the Insurer has not failed to perform its obligations under the Bond Insurance Policy, the Insurer (i) may direct the related Trustee how to vote the related Series 2005 Obligation under the Master Indenture and to pursue any remedies that such Trustee exercises under the Indenture and (ii) will have the right to consent, except for circumstances providing for unanimous consent, to amendments to the Financing Agreements or the Indentures.

In the event that the Insurer is required to pay principal of or interest on the Bonds, no representation or assurance is given or can be made that such event will not adversely affect the market price for or marketability of such Series of Bonds.

Owners of the Bonds should note that, although the Bond Insurance Policy will insure scheduled payment of the principal of (but not any premium) and interest on the Bonds to any Owner of any Bond, in the event any payment in connection with an optional or extraordinary redemption is recovered from such Owner as a voidable preference under applicable bankruptcy laws, such amounts will be paid by the Insurer to such Owner only if such amount is not paid when due at such times and in such amounts as would have applied in the absence of such optional or extraordinary redemption.

Nonprofit Health Care Environment

Nearly all of the Members of the Credit Group are nonprofit corporations, exempt from federal income taxation as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. As nonprofit tax-exempt organizations, the Credit Group Members are subject to federal, state and local laws, regulations, rulings and court decisions relating to their organization and operation, including their operation for religious and charitable purposes. At the same time, the Credit Group Members conduct large-scale complex business transactions and are often the 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, multi-state health care organization.

Recently, an increasing number of the operations or practices of health care providers have been challenged or questioned to determine if they are consistent with the regulatory requirements for nonprofit tax-exempt organizations. These challenges are broader than concerns about compliance with federal and state statutes and regulations, such as Medicare and Medicaid compliance, and instead in many cases are examinations of core business practices of the health care organizations. Areas that have come under examination have included pricing practices, billing and collection practices, charitable care, executive compensation, exemption of property from real property taxation, and others. These challenges and questions have come from a variety a sources, including state attorneys general, the IRS, labor unions, Congress, state legislatures, and patients, and in a variety of forums, including hearings, audits and litigation. These challenges or examinations include the following, among others:

Congressional Hearings. The House Committee on Energy and Commerce (the "House Committee") has launched a nationwide investigation of hospital billing practices and prices charged to uninsured patients. Twenty large hospital and health care systems were requested by the House Committee to provide detailed historical charge and billing practice information for acute care services. The Subcommittee on Oversight and Investigations of the House Committee conducted hearings in the summer of 2004 at which a number of representatives of the health care industry and others testified. It is uncertain if the House Committee will recommend legislative changes as a result of its investigation.

In addition, the Senate Finance Committee (the "Senate Committee") conducted hearings on required reforms to the nonprofit sector in the summer of 2004. At the hearing, the Senate Committee released a staff discussion draft on proposals for reform in the area of tax-exempt organizations, including a proposal for a five-year review of tax-exempt status by the Internal Revenue Service. It is uncertain if any of the staff proposals will be adopted by the entire Senate Committee or if the Senate Committee will recommend legislative changes as a result of the hearing.

Complementary to the Senate Committee hearings, the House Committee on Ways and Means held a hearing on April 20, 2005 to examine the tax-exempt sector. On May 26, 2005, the Committee conducted a hearing that focused more specifically on hospital tax-exemption. The Committee will be continuing this series of hearings throughout the year, reviewing both broad categories of tax-exempt organizations and specific abusive practices involving tax-exempt organizations.

IRS Examination of Compensation Practices. In August 2004, the IRS announced a new enforcement effort to identify and halt abuses by tax-exempt organizations that pay excessive compensation and benefits to their officers and other insiders. The IRS announced that it would contact nearly 2,000 charities and foundations to seek more information about their compensation practices and procedures. The IRS began its enforcement project at the end of July 2004, which continued into 2005. Neither Trinity Health nor any Members of the Credit Group have been contacted by the IRS in connection with this enforcement effort.

Class Action Litigation. Lawsuits have been filed in 2004 in both federal and state courts alleging, among other things, that hospitals have failed to fulfill their obligations to provide charity care to uninsured patients and have overcharged uninsured patients. In October 2004, the U.S. Judicial Panel on Multidistrict Litigation denied plaintiff attorneys' request to consolidate 28 class-action lawsuits brought against the American Hospital Association and certain nonprofit health systems. The cases are now proceeding separately to federal district courts. A number of those suits have been dismissed. Nonetheless, given the preliminary nature of the litigation, it is not possible to predict the outcome of the cases. See "PENDING LITIGATION—Trinity Health and the Members of the Credit Group" herein.

Action by Purchasers of Hospital Services and Consumers. Major purchasers of hospital services also could take action to restrain hospital charges or charge increases. As a result of increased public scrutiny, it is also possible that the pricing strategies of hospitals may be perceived negatively by consumers, and hospitals may be forced to reduce fees for their services. Decreased utilization could result, and hospitals' revenues may be negatively impacted.

Challenges to Real Property Tax Exemptions. Recently, the real property tax exemptions afforded to certain nonprofit health care providers by state and local taxing authorities have been challenged on the grounds that the health care providers were not engaged in charitable activities. These challenges have been based on a variety of grounds, including allegations of aggressive billing and collection practices and excessive financial margins.

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

Patient Service Revenues

The Medicare Program. Medicare is the federal health insurance system under which hospitals are paid for services provided to eligible elderly and disabled persons. Medicare is administered by CMS, which delegates to the states the process for certifying hospitals to which CMS will make payment. In order to achieve and maintain Medicare certification, hospitals must meet CMS's "Conditions of Participation" on an ongoing basis, as determined by the state and/or the JCAHO. The requirements for Medicare certification are subject to change, and, therefore, it may be necessary for hospitals to effect changes from time to time in their facilities, equipment, personnel, billing, policies and services.

For the fiscal years ended June 30, 2003, June 30, 2004 and June 30, 2005, Medicare payments represented approximately 36.6%, 37.5% and 38.2%, respectively, of the Credit Group's gross patient service revenue. See APPENDIX A – "INFORMATION CONCERNING TRINITY HEALTH CREDIT GROUP—FINANCIAL AND OPERATING INFORMATION—Sources of Net Patient Service Revenue."

Hospital Reimbursement. Hospitals are generally paid for inpatient services provided to Medicare beneficiaries based on established categories of treatments or conditions known as diagnosis related groups ("DRGs"). Hospitals are generally paid for outpatient services provided to Medicare beneficiaries based on categories of services known as ambulatory payment classifications ("APCs"). The actual cost of hospital care, including capital costs, may be more or less than the DRG or APC rates. DRG and APC rates are subject to adjustment by CMS and are subject to federal budget considerations.

There is no guarantee that DRG or APC rates, as they change from time to time, will cover actual costs of providing services to Medicare patients.

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

Reimbursement of Hospital Capital Costs. Hospital capital costs apportioned to Medicare patient use (including depreciation and interest) are paid by Medicare exclusively on the basis of a standard federal rate (based upon average national costs of capital), subject to limited adjustments specific to the hospital. There can be no assurance that future capital-related payments will be sufficient to cover the actual capital-related costs of the Trinity Health's facilities applicable to Medicare patient stays or will provide flexibility for hospitals to meet changing capital needs.

Medical Education Payments. Medicare currently pays for a portion of the costs of medical education at hospitals that have teaching programs. These payments are vulnerable to reduction or elimination.

Medicaid Program. Medicaid is a program of medical assistance, funded jointly by the federal government and the states, for certain needy individuals and their dependants. Under Medicaid, the federal government provides limited funding to states that have medical assistance programs that meet federal standards. Attempts to balance or reduce federal and state budgets will likely negatively impact Medicaid spending.

For the fiscal years ended June 30, 2003, June 30, 2004 and June 30, 2005, the Credit Group received approximately 7.8%, 7.8% and 8.1%, respectively, of gross patient service revenues from state Medicaid programs. See APPENDIX A – "INFORMATION CONCERNING TRINITY HEALTH CREDIT GROUP—FINANCIAL AND OPERATING INFORMATION—Sources of Net Patient Service Revenue."

Certain states selectively contract with general acute care hospitals to provide services to participants in the Medicaid program of such state and may not provide payment to hospitals that do not have such a contract. Payment under such contracts may not cover the cost of providing such services or may be reduced by such state. Reductions in payments by state Medicaid programs or loss of such contracts could materially adversely affect the financial condition of the Credit Group. In Michigan, an effort to reduce its Medicaid costs led the State to consider implementing the Adult Benefits Waiver II ("ABW II") program. Under the ABW II Medicaid payment methodology, hospital inpatient payments for Medicaid-eligible individuals classified as "caretaker relatives" of other Medicaid-eligible individuals would have been set at $900 per admission. A waiver necessary to implement the ABW II program was submitted to CMS for approval. Following significant opposition from hospitals, it was withdrawn. Had the ABW II program been implemented, it potentially could have reduced annual Medicaid payments to the Credit Group by $6-8 million. In addition, insolvency of two Michigan Medicaid HMOs has resulted in several hospitals in the Credit Group receiving payments well below the cost of providing services. These payment losses, which were incurred by several Credit Group hospitals, did not have a material adverse effect on the financial condition of the Credit Group, as a whole. Michigan Medicaid HMOs received a premium increase of approximately 8% for fiscal year 2005, and the insolvent Medicaid HMOs are no longer Medicaid-participating HMOs.

Disproportionate Share Hospitals. The Medicare program provides additional payment for hospitals that serve a disproportionate share of low income patients, as defined by CMS. Designated Affiliates currently operate 13 facilities that qualify as disproportionate share hospitals, but the number of hospitals that qualify varies from time to time. There can be no assurance that payments for disproportionate share will not be decreased or eliminated in the future or that any Designated Affiliates' facilities will continue to qualify for disproportionate share status. In addition, disproportionate share payments are frequently the target of proposed Medicare payment reductions.

State and Local Budgets. The states in which the Credit Group Members operate recently have incurred severe financial challenges. Budget estimates for certain of these states for the current fiscal year project deficits and have resulted in several of these states resorting to selected tax increases, accounting changes, and spending constraints – including Medicaid payment limitations – to close the deficits. In many cases, a significant portion of the projected deficits was attributed to job losses that resulted in additional numbers of individuals qualifying for Medicaid.

The financial challenges facing these states may negatively affect Credit Group Members in a number of ways, including, but not limited to, the factors identified below. These states' financial challenges may lead to a greater number of indigent patients who are unable to pay for their care and a greater number of individuals who qualify for Medicaid. See "BONDHOLDERS' RISKS—Indigent Care" herein. In addition, these states may seek to generate revenue by increasing tax rates, changing the treatment of income currently treated as tax-exempt, limiting or decreasing enrollment in publicly-subsidized programs, such as Medicaid, in which Credit Group Members participate, decreasing the state work force, decreasing the reimbursement rates for publicly-subsidized programs and/or increasing the frequency of regulatory investigations and resulting penalty actions. Additionally, as revenues decline and expenditures increase, some states are facing increasing pressure from interest groups to restrict certain revenue for the sole benefit of the interest groups rather than being deposited into the states' general funds and used for general purposes, including the funding of Medicaid.

Health Plans and Managed Care. Most private health insurance coverage is provided by various types of "managed care" plans, including health maintenance organizations ("HMOs") and preferred provider organizations ("PPOs"), that generally use discounts and other economic incentives to reduce or limit the cost and utilization of health care services. Medicare and Medicaid also purchase hospital care using managed care options. Payments to hospitals from managed care plans typically are lower than those received from traditional indemnity or commercial insurers.

In many markets, managed care plans have replaced indemnity insurance as the prime source of non-governmental payment for hospital services, and hospitals must be capable of attracting and maintaining managed care business, often on a regional basis. Regional coverage and aggressive pricing may be required. However, it is also essential that contracting hospitals be able to provide the contracted services without significant operating losses, which may require multiple forms of cost containment.

Many HMOs and PPOs currently pay providers on a negotiated fee-for-service basis or, for institutional care, on a fixed rate per day of care, which, in each case, usually is discounted from the typical charges for the care provided. As a result, the discounts offered to HMOs and PPOs may result in payment to a provider that is less than its actual cost. Additionally, the volume of patients directed to a provider may vary significantly from projections, and/or changes in the utilization may be dramatic and unexpected, thus jeopardizing the provider's ability to manage this component of revenue and cost.

Some HMOs employ a "capitation" payment method under which hospitals are paid a predetermined periodic rate for each enrollee in the HMO who is "assigned" or otherwise directed to receive care at a particular hospital. The hospital may assume financial risk for the cost and scope of

institutional care given. If payment is insufficient to meet the hospital's actual costs of care, or if utilization by such enrollees materially exceeds projections, the financial condition of the hospital could erode rapidly and significantly.

Often, HMO contracts are enforceable for a stated term, regardless of hospital losses and may require hospitals to care for enrollees for a certain time period, regardless of whether the HMO is able to pay the hospital. As with other large health care systems, the Designated Affiliates and Affiliates from time to time have disputes with HMOs, PPOs and other managed care payors concerning contract interpretation issues. Such disputes may result in mediation, arbitration or litigation. Trinity Health management expects that these types of issues ultimately will be resolved, sometimes through renegotiation or termination of the contract.

Defined broadly, for the fiscal year ended June 30, 2005, managed care payments (excluding capitated Medicare and Medicaid contracts) constituted approximately 30% of the net patient service revenues of the Credit Group, but there is no assurance that the affected Designated Affiliates or Affiliates or any future Designated Affiliates or Affiliates will maintain managed care contracts or obtain other similar contracts in the future.

Failure to maintain contracts could have the effect of reducing the affected Designated Affiliate's or Affiliate's patient volume and net patient services revenues. Conversely, participation may maintain or increase the patient base but could result in lower net income to the affected Designated Affiliate or Affiliate if it is unable to adequately contain its costs. Thus, managed care poses one of the most significant business risks the Credit Group faces.

Regulatory Environment

"Fraud" and "False Claims." Health care "fraud and abuse" laws have been enacted at the federal and state levels to broadly regulate the provision of services to government program beneficiaries and the methods and requirements for submitting claims for services rendered to the beneficiaries. Under these laws, hospitals and others can be penalized for a wide variety of conduct, including submitting claims for services that are not provided, billing in a manner that does not comply with government requirements or including inaccurate billing information, billing for services deemed to be medically unnecessary, or billings accompanied by an illegal inducement to utilize or refrain from utilizing a service or product.

Federal and state governments have a broad range of criminal, civil and administrative sanctions available to penalize and remediate health care fraud, including the exclusion of a hospital from participation in the Medicare/Medicaid programs, civil monetary penalties, and suspension of Medicare/Medicaid payments. Fraud and abuse cases may be prosecuted by one or more government entities and/or private individuals, and more than one of the available sanctions may be, and often are, imposed for each violation.

Laws governing fraud and abuse may apply to a hospital and to nearly all individuals and entities with which a hospital does business. Fraud investigations, settlements, prosecutions and related publicity can have a catastrophic effect on hospitals. See "Enforcement Activity," below. Major elements of these often highly technical laws and regulations are generally summarized below.

False Claims Act. The False Claims Act ("FCA") makes it illegal to submit or present a false, fictitious or fraudulent claim to the federal government, and may include claims that are simply erroneous. FCA investigations and cases have become common in the health care field and may cover a range of activity from intentionally inflated billings, to highly technical billing infractions, to allegations

of inadequate care. Violation or alleged violation of the FCA most often results in settlements that require multi-million dollar payments and compliance agreements. The FCA also permits individuals to initiate civil actions on behalf of the government in lawsuits called "qui tam" actions. Qui tam plaintiffs, or "whistleblowers," can share in the damages recovered by the government or recover independently if the government does not participate. The FCA has become one of the government's primary weapons against health care fraud. FCA violations or alleged violations could lead to settlements, fines, exclusion or reputation damage that could have a material adverse affect on a hospital.

Anti-Kickback Law. The federal "Anti-Kickback Law" is a criminal statute that prohibits anyone from soliciting, receiving, offering or paying any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, in return for a referral (or to induce a referral) for any item or service that is paid by any federal or state health care program. The Anti-Kickback Law applies to many common health care transactions between persons and entities with which a hospital does business, including hospital-physician joint ventures, medical director agreements, physician recruitment agreements, physician office leases and other transactions.

Violation or alleged violation of the Anti-Kickback Law most often results in settlements that require multi-million dollar payments and compliance agreements. The Anti-Kickback Law can be prosecuted either criminally or civilly. Violation is a felony, subject to a fine of up to $250,000 for each act (which may be each item or each bill sent to a federal program), imprisonment and/or exclusion from the Medicare and Medicaid programs. In addition, civil monetary penalties of $10,000 per item or service in noncompliance (which may be each item or each bill sent to a federal program), or an "assessment" of three times the amount claimed may be imposed.

The Credit Group has in place policies and a corporate compliance program (the "Compliance Program") that management believes will effectively reduce its exposure for Anti-Kickback violations. However, because the government's enforcement efforts presently are widespread within the industry, there can be no assurance that the Compliance Program will significantly reduce or effectively eliminate the Designated Affiliates' and the Affiliates' exposure.

Stark Referral Law. The federal "Stark" statute prohibits the referral of Medicare and Medicaid patients for certain designated health services (including inpatient and outpatient hospital services, clinical laboratory services, and radiation and other imaging services) to entities with which the referring physician has a financial relationship. It also prohibits a hospital furnishing the designated services from billing Medicare, or any other payor or individual, for services performed pursuant to a prohibited referral. The government does not need to prove that the entity knew that the referral was prohibited to establish a Stark violation. If certain technical requirements are met, many ordinary business practices and economically desirable arrangements between hospitals and physicians arguably constitute "financial relationships" within the meaning of the Stark statute, thus triggering the prohibition on referrals and billing. Most providers of the designated health services with physician relationships have some exposure to liability under the Stark statute.

Medicare may deny payment for all services related to a prohibited referral and a hospital that has billed for prohibited services may be obligated to refund the amounts collected from the Medicare program. For example, if an office lease between a hospital and a large group of heart surgeons is found to violate Stark, the hospital could be obligated to repay CMS for the payments received from Medicare for all of the heart surgeries performed by all of the physicians in the group for the duration of the lease; a potentially significant amount. The government may also seek substantial civil monetary penalties, and in some cases, a hospital may be liable for fines up to three times the amount of any monetary penalty, and/or be excluded from the Medicare and Medicaid programs. Although Stark does not have an

extensive enforcement history, potential repayments to CMS, settlements, fines or exclusion for a Stark violation or alleged violation could have a material adverse impact on a hospital.

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

Exclusions from Medicare or Medicaid Participation. The government may exclude a hospital from Medicare/Medicaid program participation that is convicted of a criminal offense relating to the delivery of any item or service reimbursed under Medicare or a state health care program, any criminal offense relating to patient neglect or abuse in connection with the delivery of health care, fraud against any federal, state or locally financed health care program or an offense relating to the illegal manufacture, distribution, prescription, or dispensing of a controlled substance. The government also may exclude individuals or entities under certain other circumstances, such as an unrelated conviction of fraud, or other financial misconduct relating either to the delivery of health care in general or to participation in a federal, state or local government program. Exclusion from the Medicare/Medicaid program means that a hospital would be decertified and no program payments can be made. Any hospital exclusion could be a materially adverse event.

Administrative Enforcement. Administrative regulations may require less proof of a violation than do criminal laws, and, thus, health care providers may have a higher risk of imposition of monetary penalties as a result of an administrative enforcement actions.

Compliance with Conditions of Participation. CMS, in its role of monitoring participating providers' compliance with conditions of participation in the Medicare program, may determine that a provider is not in compliance with its conditions of participation. In that event, a notice of termination of participation may be issued or other sanctions potentially could be imposed.

Enforcement Activity. Enforcement activity against health care providers has increased, and enforcement authorities have adopted aggressive approaches. In the current regulatory climate, it is anticipated that many hospitals and physician groups will be subject to an audit, investigation, or other enforcement action regarding the health care fraud laws mentioned above.

Enforcement authorities are often in a position to compel settlements by providers charged with or being investigated for false claims violations by withholding or threatening to withhold Medicare, Medicaid and/or similar payments and/or by instituting criminal action. In addition, the cost of defending such an action, the time and management attention consumed, and the facts of a case may dictate settlement. Therefore, regardless of the merits of a particular case, a hospital could experience materially adverse settlement costs, as well as materially adverse costs associated with implementation of any settlement agreement. Prolonged and publicized investigations could be damaging to the reputation and business of a hospital, regardless of outcome.

Certain acts or transactions may result in violation or alleged violation of a number of the federal health care fraud laws described above, and therefore penalties or settlement amounts often are compounded. Generally these risks are not covered by insurance. Enforcement actions may involve multiple hospitals in a health system, as the government often extends enforcement actions regarding health care fraud to other hospitals in the same organization. Therefore, Medicare fraud related risks

identified as being materially adverse as to a hospital could have materially adverse consequences to a health system taken as a whole.

Liability Under State "Fraud" and "False Claims" Laws. Hospital providers in the states in which the Members of the Credit Group operate health facilities also are subject to a variety of state laws, related to false claims (similar to the FCA or that are generally applicable false claims laws), anti-kickback (similar to the federal Anti-Kickback Law or that are generally applicable anti-kickback or fraud laws), and physician referral (similar to Stark). These prohibitions while similar in public policy and scope to the federal laws have not in all instances been actively enforced to date. However, in the future they could pose the possibility of material adverse impact for the same reasons as the federal statutes.

HIPAA Privacy Requirements. HIPAA addresses the confidentiality of individuals' health information. Disclosure of certain broadly defined protected health information is prohibited unless expressly permitted under the provisions of the HIPAA statute and regulations or authorized by the patient. HIPAA's confidentiality provisions extend not only to patient medical records, but also to a wide variety of health care clinical and financial settings where patient privacy restrictions often impose new communication, operational, accounting and billing restrictions. These add costs and create potentially unanticipated sources of legal liability.

HIPAA imposes civil monetary penalties for violations and criminal penalties for knowingly obtaining or using individually identifiable health information. The penalties range from $50,000 to $250,000 and/or imprisonment if the information was obtained or used with the intent to sell, transfer or use the information for commercial advantage, personal gain or malicious harm.

EMTALA. The Emergency Medical Treatment and Active Labor Act ("EMTALA") is a federal civil statute that requires hospitals to treat or conduct a medical screening for emergency conditions and to stabilize a patient's emergency medical condition before releasing, discharging or transferring the patient. A hospital that violates EMTALA is subject to civil penalties of up to $50,000 per offense and exclusion from the Medicare and Medicaid programs. In addition, the hospital may be liable for any claim by an individual who has suffered harm as a result of a violation.

Licensing, Surveys, Investigations and Audits. Health facilities are subject to numerous legal, regulatory, professional and private licensing, certification and accreditation requirements. These include, but are not limited to, requirements of state licensing agencies and the JCAHO. Renewal and continuation of certain of these licenses, certifications and accreditations are based on inspections or other reviews generally conducted in the normal course of business of health facilities. Loss of, or limitations imposed on, hospital licenses could reduce hospital utilization or revenues, or a hospital's ability to operate all or a portion of its facilities.

Environmental Laws and Regulations. Hospitals are subject to a wide variety of federal, state and local environmental and occupational health and safety laws and regulations. These include but are not limited to: air and water quality control requirements; waste management requirements; specific regulatory requirements applicable to asbestos and radioactive substances; requirements for providing notice to employees and members of the public about hazardous materials handled by or located at the hospital; and requirements for training employees in the proper handling and management of hazardous materials and wastes.

Hospitals may be subject to requirements related to investigating and remedying hazardous substances located on their property, including such substances that may have migrated off the property. Typical hospital operations include the handling, use, storage, transportation, disposal and/or discharge of hazardous, infectious, toxic, radioactive, flammable and other hazardous materials, wastes, pollutants and

contaminants. As such, hospital operations are particularly susceptible to the practical, financial and legal risks associated with the environmental laws and regulations. Such risks may result in damage to individuals, property or the environment; may interrupt operations and/or increase their cost; may result in legal liability, damages, injunctions or fines; and may result in investigations, administrative proceedings, civil litigation, criminal prosecution, penalties or other governmental agency actions; and may not be covered by insurance.

Certificate of Need Requirements

Ohio. Prior to April 20, 1995, Ohio's CON program required prior approval by the Director of Health for the establishment of certain health care facilities and services, the obligation of certain capital expenditures, and the acquisition of medical equipment over a certain cost. Under the new CON law, which was effective April 20, 1995 and subsequently amended in Am.Sub.S.B. 156, which was effective June 30, 1995, Ohio began the gradual elimination of CON review for all then-reviewable health-related activities, except for long-term care, by May 1, 1997.

Under the current law, many activities which previously required a CON have ceased to be reviewable. These activities and other specifically designated activities now require filing of a notice of intent with the Director of Health and the local health service agency sixty days prior to conducting such activities. The current law also requires state licensor for the operation of certain health care facilities and compliance with safety standards, quality-of-care standards, and quality-of-care data reporting requirements for the provision of certain health services and the operation of certain medical equipment. In addition, under the current law, the addition or transfer of long-term care beds or the establishment of a long-term care facility remains reviewable and the addition of long-term care beds is under a moratorium. The Director of Health is authorized to investigate entities which may be in violation of the statutory or regulatory requirements. After an administrative hearing, the Director may impose civil monetary penalties and other penalties against an entity that fails to follow the safety standards, quality-of-care standards, quality-of-care data reporting requirements and notice of intent requirements.

Management believes the Ohio Designated Affiliates' current operation are, and their proposed operations will be, in material compliance with the foregoing laws. There can be no assurance that future health care legislation or other changes in the administration or interpretation of the CON and licensor laws will not have a material adverse effect on the Ohio Designated Affiliates. Inability to obtain a timely license or comply with additional standards for the provision of certain health services or the operation of certain medical equipment may adversely affect the business plans of the Ohio Designated Affiliates. In addition, the Ohio Designated Affiliates may experience increased competition in the provision of certain health services because of the elimination of CON requirements, and there can be no assurance that increased competition will not adversely affect the Ohio Designated Affiliates' operation.

Iowa. The Iowa CON statute provides that a person shall not offer or develop a new institutional health service or changed institutional health service without first obtaining from the Iowa Health Facilities Council a CON. New institutional services and changed institutional health services are defined by the statute and include construction, development or other establishment of a new hospital or other health care facility, capital expenditures in excess of $1.5 million dollars, offering new services at a cost in excess of $500,000, or new equipment with a cost or value in excess of $1.5 million. In addition, cardiac catheterization services, open heart surgical services, organ transplant services, and radiation therapy services are reviewable without regard to the cost of the service. In addition, the relocation of an institutional health facility, the deletion of one or more health services, air transportation services or changes in bed capacity also may be reviewable under the CON program. The statute further provides for various exclusions from the requirement of a CON. If an institutional health facility fails to obtain a CON when required by statute, it will be subject to penalties, which may include loss of licensure, temporary or

permanent injunctions against offering or developing a service, and civil fines. Once a CON is granted, the CON is subject to revocation in the event insufficient progress in developing the project is made within a one-year time period from the issuance of the CON.

Business Relationships and Other Business Matters

Integrated Physician Groups. Hospitals and hospital systems often own, control or have affiliations with relatively large physician groups. For a description of Trinity Health's affiliations, see APPENDIX A – "INFORMATION CONCERNING TRINITY HEALTH CREDIT GROUP." Generally, the sponsoring hospital or health system will be the capital and funding source for such alliances and may have an ongoing financial commitment to provide growth capital and support operating deficits.

These types of alliances are generally designed to respond to trends in the delivery of medicine to better integrate hospital and physician care, to increase physician availability to the community and/or to enhance the managed care capability of the affiliated hospitals and physicians. However, these goals may not be achieved, and an unsuccessful alliance may be costly and counterproductive to all of the above-stated goals.

Integrated delivery systems carry with them the potential for legal or regulatory risks in varying degrees. The ability of hospitals or health systems to conduct integrated physician operations may be altered or eliminated in the future by legal or regulatory interpretation or changes, or by health care fraud enforcement. In addition, participating physicians may seek their independence for a variety of reasons, thus putting the hospital or health system's investment at risk, and potentially reducing its managed care leverage and/or overall utilization.

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

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

Competition Among Health Care Providers. Increased competition from a wide variety of sources, including specialty hospitals, other hospitals and health care systems, inpatient and outpatient health care facilities, long-term care and skilled nursing services facilities, clinics, physicians and others, may adversely affect the utilization and/or revenues of hospitals. Existing and potential competitors may

not be subject to various restrictions applicable to hospitals, and competition, in the future, may arise from new sources not currently anticipated or prevalent.

Specialty hospital developments that attract away an important segment of an existing hospital's admitting specialists may be particularly damaging. For example, some large hospitals may have significant dependence on heart surgery programs, as revenue streams from those programs may cover significant fixed overhead costs. If a significant component of such a hospital's heart surgeons develop their own specialty heart hospital (alone or in conjunction with a growing number of specialty hospital operators and promoters) taking with them their patient base, the hospital could experience a rapid and dramatic decline in net revenues that is not proportionate to the number of patient admissions or patient days lost. It is also possible that the competing specialty hospital, as a for-profit venture, would not accept indigent patients or other payors and government programs, leaving low-pay patient populations in the full-service hospital. In certain cases, such an event could be materially adverse to the hospital. A moratorium has currently been imposed under Stark on physician investment in new specialty hospitals. A variety of proposals have been advanced recently to permanently prohibit such investments. Nonetheless, specialty hospitals continue to represent a significant competitive challenge for full-service hospitals.

Additionally, scientific and technological advances, new procedures, drugs and appliances, preventive medicine and outpatient health care delivery may reduce utilization and revenues of the hospitals in the future or otherwise lead the way to new avenues of competition. In some cases, hospital investment in facilities and equipment for capital-intensive services may be lost as a result of rapid changes in diagnosis, treatment or clinical practice brought about by new technology or new pharmacology.

Antitrust. Antitrust liability may arise in a wide variety of circumstances, including medical staff privilege disputes, payor contracting, physician relations, joint ventures, merger, affiliation and acquisition activities, certain pricing or salary setting activities, as well as other areas of activity. The application of the federal and state antitrust laws to health care is evolving, and therefore not always clear. Currently, the most common areas of potential liability are joint action among providers with respect to payor contracting and medical staff credentialing disputes. From time to time, the Credit Group Members are or may be involved with all of these types of activities, and neither Trinity Health nor the other Credit Group Members can predict in general when or to what extent liability, if any, may arise. Liability in any of these or other trade regulation areas may be substantial, depending upon the facts and circumstances of each case.

Violation of the antitrust laws could result in criminal and/or civil enforcement proceedings by federal and state agencies, as well as actions by private litigants. In certain actions, private litigants may be entitled to treble damages, and in others, governmental entities may be able to assess substantial monetary fines.

Labor Relations and Collective Bargaining. Hospitals are large employers with a wide diversity of employees. Increasingly, employees of hospitals are becoming unionized, and many hospitals have collective bargaining agreements with one or more labor organizations. Employees subject to collective bargaining agreements may include essential nursing and technical personnel, as well as food service, maintenance and other trade personnel. Renegotiation of such agreements upon expiration may result in significant cost increases to hospitals. Employee strikes or other adverse labor actions may have an adverse impact on operations, revenue and hospital reputation. Four Designated Affiliates (Trinity Health – Michigan, Battle Creek Health System, Trinity Continuing Care Services and Mercy Health Services - Iowa, Corp.) have employees covered by a total of 20 collective bargaining agreements.

Health Care Worker Classification. Health care providers, like all businesses, are required to withhold income taxes from amounts paid to employees. If the employer fails to withhold the tax, the employer becomes liable for payment of the tax imposed on the employee. On the other hand, businesses are not required to withhold federal taxes from amounts paid to a worker classified as an independent contractor. The Internal Revenue Service (the "IRS") has established criteria for determining whether a worker is an employee or an independent contractor for tax purposes. If the IRS were to reclassify a significant number of hospital independent contractors (e.g., physician medical directors) as employees, back taxes and penalties could be material.

Staffing. In recent years, the health care industry has suffered from a scarcity of nursing personnel, respiratory therapists, pharmacists and other trained health care technicians. A significant factor underlying this trend includes a decrease in the number of persons entering such professions. This is expected to intensify in the future, aggravating the general shortage and increasing the likelihood of hospital-specific shortages. Competition for employees, coupled with increased recruiting and retention costs will increase hospital operating costs, possibly significantly, and growth may be constrained. This trend could have a material adverse impact on hospitals.

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

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

Trinity Health maintains self-insurance and medical malpractice insurance for its Designated Affiliates and Affiliates in the amounts described in APPENDIX A – "INFORMATION CONCERNING TRINITY HEALTH CREDIT GROUP—OTHER INFORMATION—Insurance." Management of Trinity Health considers this coverage to be adequate; however, no assurances can be given that Trinity Health will maintain the coverage amounts currently in place in the future, that the coverage will be sufficient to cover all malpractice judgments rendered against the Affiliates or settlements of any such claims or that such coverage will be available at a reasonable cost in the future. In addition, with respect to the Designated Affiliates' and Affiliates' self-insurance and risk retention programs, insured losses in excess of expectations may decrease self-insurance reserves and make it necessary for Trinity Health and the Designated Affiliates and Affiliates to increase their contributions to such reserves.

Tax-Exempt Status and Other Tax Matters

Maintenance of the Tax-Exempt Status of Benefiting Affiliates. The tax-exempt status of the Bonds presently depends upon maintenance by each Credit Group who receives or benefits from the proceeds of the Bonds (the "Benefiting Affiliates") of its status as an organization described in section 501(c)(3) of the Code. The maintenance of such status is contingent on compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable and other permissible purposes and their avoidance of transactions that may cause their earnings or assets to inure to the benefit of private individuals. As these

general principles were developed primarily for public charities that do not conduct large-scale technical operations and business activities, they often do not adequately address the myriad of operations and transactions entered into by a modern health care organization. Although traditional activities of health care providers, such as medical office building leases, have been the subject of interpretations by the IRS in the form of Private Letter Rulings, many activities or categories of activities have not been fully addressed in any official opinion, interpretation or policy of the IRS.

The Credit Group Members participate in a variety of transactions and joint ventures with physicians either directly or indirectly. Management believes that the transactions to which the Benefiting Affiliates are a party are consistent with the requirements of the Code as to tax-exempt status, but, as noted above, there is uncertainty as to the state of the law in this regard.

The IRS has periodically conducted audit and other enforcement activity regarding tax-exempt health care organizations. The IRS conducts special audits of large tax-exempt health care organizations with at least $500 million in assets or $1 billion in gross receipts. Such audits are conducted by teams of revenue agents, often take years to complete and require the expenditure of significant staff time by both the IRS and taxpayers. These audits examine a wide range of possible issues, including tax-exempt bond financing of partnerships and joint ventures, retirement plans and employee benefits, employment taxes, political contributions and other matters.

If the IRS were to find that any of the Benefiting Affiliates has participated in activities in violation of certain regulations or rulings, the tax-exempt status of such Benefiting Affiliates could be in jeopardy. Although the IRS has not frequently revoked the 501(c)(3) tax-exempt status of nonprofit health care corporations, it could do so in the future. Loss of tax-exempt status by any of the Benefiting Affiliates potentially could result in loss of tax exemption of the Bonds and of other tax-exempt debt of Trinity Health and the other Credit Group Members and defaults in covenants regarding the Bonds and other related tax-exempt debt and obligations likely would be triggered. Loss of tax-exempt status also could result in substantial tax liabilities on income of the affected Benefiting Affiliate. For these reasons, loss of tax-exempt status of any of the Benefiting Affiliates could have a material adverse effect on the financial condition of Trinity Health and the other Credit Group Members.

In some cases, the IRS has imposed substantial monetary penalties on tax-exempt hospitals in lieu of revoking their tax-exempt status. In those cases, the IRS and exempt hospitals entered into settlement agreements requiring the hospital to make substantial payments to the IRS. Given the size of the Credit Group Members, the wide range of complex transactions entered into by the Credit Group Members, and potential exemption risks, Credit Group Members could be at risk for incurring monetary and other liabilities imposed by the IRS.

In lieu of revocation of exempt status, the IRS may impose penalty excise taxes on certain "excess benefit transactions" involving 501(c)(3) organizations and "disqualified persons." An excess benefit transaction is one in which a disqualified person or entity receives more than fair market value from the exempt organization or pays the exempt organization less than fair market value for property or services, or shares the net revenues of the tax-exempt entity. A disqualified person is a person (or an entity) who is in a position to exercise substantial influence over the affairs of the exempt organization during the five years preceding an excess benefit transaction. The statute imposes excise taxes on the disqualified person and any "organization manager" who knowingly participates in an excess benefit transaction. These rules do not penalize the exempt organization itself, so there would be no direct impact on the Credit Group Members or the tax status of the Bonds if an excess benefit transaction were subject to IRS enforcement, pursuant to these "intermediate sanctions" rules.

State and Local Tax Exemption. State, county and local taxing authorities undertake audits and reviews of the operations of tax-exempt health care providers with respect to their real property tax exemptions. In some cases, particularly where authorities are dissatisfied with the amount of services provided to indigents, the real property tax-exempt status of the health care providers has been questioned. The substantial portion of the real property of the Credit Group is currently treated as exempt from real property taxation. Although the real property tax exemption of the Credit Group with respect to their core hospital facilities has not, to the knowledge of management, been under challenge or investigation, an audit could lead to a challenge that could adversely affect the real property tax exemption of the Credit Group.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of nonprofit corporations. There can be no assurance that future changes in the laws and regulations of state or local governments will not materially adversely affect the financial condition of the Credit Group Members by requiring payment of income, local property or other taxes.

Maintenance of Tax-Exempt Status of Interest on the Bonds. The Code imposes a number of requirements that must be satisfied for interest on state and local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds, limitations on the investment earnings of bond proceeds prior to expenditure, a requirement that certain investment earnings on bond proceeds be paid periodically to the United States, and a requirement that the issuers file an information report with the IRS. Trinity Health has covenanted in certain of the documents referred to herein that it will comply with such requirements and will cause the Benefiting Affiliates to comply with such of those requirements as apply to the Benefiting Affiliates. Future failure by Trinity Health or one or more Benefiting Affiliate to comply with the requirements stated in the Code and related regulations, rulings and policies may result in the treatment of interest on the Bonds as taxable, retroactively to the date of issuance. Each Issuer has covenanted in certain of the documents referred to herein that it will not take any action or refrain from taking any action that would cause interest on the Bonds to be included in gross income for federal income tax purposes.

IRS officials have recently indicated that more resources will be invested in audits of tax-exempt bonds in the charitable organization sector. The Bonds may be, from time to time, subject to audits by the IRS. Management of Trinity Health believes that the Bonds properly comply with the tax laws. In addition, Bond Counsel will render an opinion with respect to the tax-exempt status of the Bonds, as described under the caption, "TAX MATTERS." Trinity Health has not sought to obtain a private letter ruling from the IRS with respect to the Bonds, and the opinions of Bond Counsel are not binding on the IRS. There is no assurance that an IRS examination of the Bonds will not adversely affect the market value of the Bonds. See "TAX MATTERS" herein.

Limitations on Contractual and Other Arrangements Imposed by the Internal Revenue Code. As tax-exempt organizations, Trinity Health and nearly all of the Credit Group Members are limited with respect to their use of practice income guarantees, reduced rent on medical office space, low interest loans, joint venture programs and other means of recruiting and retaining physicians. Uncertainty in this area has been reduced somewhat by the issuance by the IRS of guidelines on permissible physician recruitment practices. The IRS scrutinizes a broad variety of contractual relationships commonly entered into by hospitals and has issued a detailed audit guide suggesting that field agents scrutinize numerous activities of the hospitals in an effort to determine whether any action should be taken with respect to limitations on or revocation of their tax-exempt status or assessment of additional tax. Any suspension, limitation, or revocation of one or more Benefiting Affiliate's tax-exempt status or assessment of significant tax liability would have a materially adverse effect on Trinity Health and the Credit Group Members and might lead to loss of tax exemption of interest on the Bonds.

Risks Related to Outstanding Variable Rate Obligations

Increased Interest Rates. Certain outstanding bonds secured by Obligations of Trinity Health issued under the Master Indenture are variable rate obligations, the interest rates on which could rise. Such interest rates vary on a periodic basis and may be converted to a fixed interest rate. This protection against rising interest rates is limited, however, because Trinity Health would be required to continue to pay interest at the variable rate until it is permitted to convert the obligations to a fixed rate pursuant to the terms of the applicable transaction documents.

Liquidity Risk. Trinity Health has entered into various liquidity agreements with different banks to provide liquidity for the purchase of variable rate bonds issued on behalf of Trinity Health. These liquidity agreements will expire prior to the last maturity dates of the applicable variable rate bonds. If Trinity Health is unable or chooses not to extend or replace the liquidity agreements with respect to any of the variable rate bonds issued on its behalf, Trinity Health would be required to provide liquidity for the payment of any such variable rate bonds that are tendered by the holders thereof, and the cash reserves of the Credit Group would be affected until such variable rate bonds are remarketed.

Remarketing Risk. Certain outstanding bonds secured by Obligations of Trinity Health, including the Bonds, are demand obligations that Trinity Health is required to purchase upon short notice. Although Trinity Health has entered into remarketing agreements and liquidity agreements with respect to certain of such bonds to provide for the remarketing or payment of such obligations, the performance or financial condition of the remarketing agents and the banks would affect the marketability and remarketing or payment of such bonds.

Interest Rate Swap Risks

Trinity Health has entered into interest rate swap agreements for certain outstanding indebtedness and may enter into one or more interest rate swap agreements (collectively, the "Swaps") with a qualified swap provider from time to time. The Swaps are and will be subject to periodic "mark-to-market" valuations and at any time may have a negative value to Trinity Health. The Swaps counterparties may terminate any of the Swaps upon the occurrence of certain "termination events" or "events of default." Trinity Health may terminate any of the Swaps at any time. If either a counterparty to any of the Swaps or Trinity Health terminates any Swap during a negative value situation, Trinity Health may be required to make a termination payment to such Swaps counterparty, and such payment could be material.

To date, all Swaps are secured under the Master Indenture. Trinity Health may in the future enter into interest rate swap agreements that also are secured under the Master Indenture. See the footnotes to the audited consolidated financial statements of Trinity Health and subsidiaries for the fiscal years ended June 30, 2004 and 2005 appearing in APPENDIX B to this Official Statement for a description of such interest rate swap arrangements.

Other Risk Factors

Investments. Trinity Health and the Credit Group Member have significant holdings in a broad range of investments. Market fluctuations may affect the value of those investments and those fluctuations may be and historically have been at times material. For a discussion of these investments, see APPENDIX A – "INFORMATION CONCERNING TRINITY HEALTH CREDIT GROUP—MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE—Liquidity and Capital Resources."

Construction Risks. Constructions projects are subject to a variety of risks, including but not limited to delays in issuance of required building permits or other necessary approvals or permits, including environmental approvals, strikes, shortages of materials and adverse weather conditions. Such events could delay occupancy. Cost overruns may occur due to change orders, delays in the construction schedule, scarcity of building materials and other factors. Cost overruns could cause the costs to exceed available funds.

Other Future Risks. In the future, the following factors, among others, may adversely affect the operations of health care providers, including Trinity Health and the Credit Group Members, or the market value of the Bonds, to an extent that cannot be determined at this time.

(a) Adoption of legislation that would establish a national or statewide single-payor health program or that would establish national, statewide or otherwise regulated rates applicable to hospitals and other health care providers.

(b) Reduced demand for the services of Credit Group Members that might result from decreases in population.

(c) Bankruptcy of an indemnity/commercial insurer, managed care plan or other payor.

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

(e) The occurrence of a natural or man-made disaster that could damage the facilities of the Credit Group Members, interrupt utility service to the facilities, result in an abnormally high demand for health care services or otherwise impair operations of the Credit Group Members and the generation of revenues from the facilities. The facilities of the Credit Group Members are covered by general property insurance in an amount that management considers to be generally sufficient to provide for the replacement of such facilities in the event of most natural disasters.

(f) Limitations on the availability of, and increased compensation necessary to secure and retain, nursing, technical and other professional personnel.

RELATED PARTY

Jose L. Santillan, a member of the Trinity Health Board of Directors, is Chief Investment Officer of LaSalle Bank Wealth Management Group, a department within LaSalle Bank National Association. LaSalle Bank National Association has been selected as one of three banks which will provide initial liquidity support for the Michigan Variable Rate Bonds to be issued on behalf of Trinity Health by the Michigan State Hospital Finance Authority. Such banks were selected via a competitive bid process and Mr. Santillan was not involved in the selection process.

APPROVAL OF LEGALITY

The legality of the authorization, issuance, sale and delivery of the Bonds is subject to the approval of Miller, Canfield, Paddock and Stone, P.L.C. All approving opinions will be delivered upon the issuance of the Bonds. Certain legal matters will be passed on for the Underwriters by their counsel, Sidley Austin Brown & Wood LLP, San Francisco, California, and for the members of the Credit Group

by their counsel, Foley & Lardner LLP, Chicago, Illinois, neither of which firms are passing upon the legality of the Bonds.

TAX MATTERS

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, based on their examination of the documents described in their opinions, under existing law as presently interpreted, the interest on the Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. These opinions are subject to the condition that the related Issuer comply with all requirements of the Code, and all rules and regulations promulgated thereunder, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. These requirements may include rebating certain earnings to the United States. Failure to comply with any of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. Trinity Health has covenanted to comply with all such requirements for itself and on behalf of each Issuer. Bond Counsel expresses no opinion regarding (i) the effect on exclusion of interest on the Bonds from gross income for federal income tax purposes upon conversion of the Bonds or the Michigan Variable Rate Bonds to a different Interest Rate Mode; and (ii) other federal tax consequences arising with respect to the Bonds and the interest thereon.

Bond Counsel is of the opinion that interest on the Series B Bonds is exempt from State of Ohio personal income taxes and interest on the Series I Bonds is exempt from State of Indiana personal income taxes.

Additional federal tax consequences relative to the Bonds and interest thereon include the following matters. The following is a general description of some of these consequences, but is not intended to be complete or exhaustive, and investors should consult their tax advisors with respect to these matters. For federal income tax purposes: (a) tax-exempt interest, including interest on the Bonds, is included in the calculation of modified adjusted gross income required to determine the taxability of social security or railroad retirement benefits; (b) the receipt of tax-exempt interest, including interest on the Bonds, by life insurance companies may affect the federal income tax liabilities of such companies; (c) the amount of certain loss deductions otherwise allowable to property and casualty insurance companies will be reduced (in certain instances below zero) by 15% of, among other things, tax-exempt interest, including interest on the Bonds; (d) interest incurred or continued to purchase or carry the Bonds may not be deducted in determining federal income tax; (e) commercial banks, thrift institutions and other financial institutions may not deduct their costs of carrying certain obligations such as the Bonds; (f) interest on the Bonds will be included in effectively connected earnings and profits for purposes of computing the branch profits tax on certain foreign corporations doing business in the United States; (g) passive investment income, including interest on the Bonds, may be subject to federal income taxation for Subchapter S Corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S Corporation is passive investment income; and (h) the receipt or accrual of interest on the Bonds may cause disallowance of the earned income credit under Section 32 of the Code.

Future Developments

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE OR STATE LAW, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS WHICH COULD CAUSE THE INTEREST ON ANY SERIES OF THE BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL, STATE

OF OHIO, STATE OF INDIANA OR STATE OF IOWA PERSONAL INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY SUCH FUTURE LEGISLATION, OR ANY ACTIONS OF THE IRS, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE BONDS FOR AUDIT EXAMINATION, OR THE COURSE OR RESULT OF ANY EXAMINATION OF THE BONDS, OR OTHER BONDS WHICH PRESENT SIMILAR TAX ISSUES, WILL NOT AFFECT THE MARKET PRICE OF THE BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

FINANCIAL ADVISOR

Kaufman, Hall & Associates, Inc., Northfield, Illinois, was engaged by Trinity Health to provide financial advisory services for the development and implementation of a capital financing plan for Trinity Health. Kaufman Hall is a national consulting firm that acts as capital advisor to health care organizations, particularly in the areas of short and long term debt financings, joint ventures and overall capital planning.

INDEPENDENT AUDITORS

The consolidated financial statements of Trinity Health as of and for the years ended June 30, 2005 and 2004 included in this Official Statement, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein.

UNDERWRITING

The Bonds are being purchased by the underwriters named on the cover hereof (collectively, the "Underwriters" and, each, an "Underwriter"). Goldman, Sachs & Co, as Representative of the Underwriters for the Series B Bonds and the Series C Bonds, has agreed to purchase the Series B Bonds at a purchase price of $58,759,575.00 (which represents the principal amount of the Series B Bonds of $59,000,000.00, less an underwriter's discount of $240,425.00) and has agreed to purchase the Series C Bonds at a purchase price of $15,810,309.37 (which represents the principal amount of the Series C Bonds of $15,875,000.00, less an underwriter's discount of $64,690.63). Bear, Stearns & Co. Inc., as Representative of the Underwriters for the Series I Bonds, has agreed to purchase the Series I Bonds at a purchase price of $31,421,433.75 (which represents the principal amount of the Series I Bonds of $31,550,000.00, less an underwriter's discount of $128,566.25). The purchase contracts pursuant to which the Bonds are being sold provide that the Underwriters will purchase all of the Bonds of the related Series if any such Series of Bonds are purchased and requires Trinity Health to indemnify the Underwriters and the related Issuer against certain liabilities, and the obligation to make such purchase is subject to certain terms and conditions set forth in each such purchase contract, the approval of certain legal matters by counsel and certain other conditions. The Underwriters may offer and sell the Bonds to certain dealers and others at a price lower than the offering prices stated on the cover page hereof. The offering prices may be changed from time to time by the Underwriters.

RATINGS

Moody's Investors Service, Inc. ("Moody's), Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies ("Standard & Poor's") and Fitch Ratings ("Fitch") are expected to assign the Bonds their municipal bond ratings of "Aaa," "AAA" and "AAA," respectively, with the understanding that, upon the issuance of the Bonds, the Bond Insurance Policies insuring payment when due of principal of and interest on the Bonds will be issued by the Insurer. The ratings described above reflect only the views of such organizations, and any explanation of the significance of the ratings may be obtained only from Moody's, Standard & Poor's or Fitch. There is no assurance that any of the ratings will continue for any given period of time or that any rating may not be lowered or withdrawn if, in the judgment of a rating agency, circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market prices of the Bonds.

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OTHER MATTERS

Any statements in this Official Statement involving matters of opinion, whether or not expressly stated as such, are so intended and are not representations of fact.

COUNTY OF FRANKLIN, OHIO

By: /s/ Webb Vorys
Its: Vice-Chairman

INDIANA HEALTH AND EDUCATIONAL
FACILITY FINANCING AUTHORITY

By: /s/ Ryan C. Kitchell
Its: Vice-Chair

Approved:

TRINITY HEALTH CORPORATION

By: /s/ James W. Bosscher
Its: Vice President, Treasury

APPENDIX A

Information Concerning

TRINITY HEALTH CREDIT GROUP

The information contained herein as
Appendix A to this Official Statement
has been obtained from Trinity
Health on behalf of itself and
the members of its Credit Group.

APPENDIX A
TRINITY HEALTH CREDIT GROUP

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Capitalized terms used, but not defined, in this Appendix A are defined in the forepart of this Official Statement and in Appendices C and D to this Official Statement.

TRINITY HEALTH CREDIT GROUP

History

Trinity Health Corporation ("Trinity Health"), an Indiana nonprofit corporation, is sponsored by Catholic Health Ministries ("CHM"), an association comprised of individuals appointed by two religious congregations of women, the Congregation of the Sisters of the Holy Cross, Notre Dame, Indiana (the "Holy Cross Sisters"), and the Sisters of Mercy, Regional Community of Detroit (the "Sisters of Mercy"). CHM is recognized by the Roman Catholic Church as an entity that acts in its name with respect to its sponsored works. The health care ministries of the Holy Cross Sisters and the Sisters of Mercy have provided assistance to the sick and infirm for more than 125 years. Holy Cross Health System Corporation ("Holy Cross"), an Indiana nonprofit corporation, was incorporated in 1978 to coordinate the health care activities of the Holy Cross Sisters. Mercy Health Services ("Mercy"), a Michigan nonprofit corporation, was incorporated in 1976 to assume ownership of and coordinate the health care services provided by the health care facilities sponsored by the Sisters of Mercy. Trinity Health was formed by the consolidation of Holy Cross and Mercy in May 2000. In conjunction with its formation, Trinity Health formed the Trinity Health Credit Group (described below) to facilitate its capital formation and capital management activities.

The Trinity Health Credit Group

Trinity Health controls or owns, directly or indirectly, various nonprofit and for-profit corporations and other organizations, many of which were originally affiliated with Holy Cross or Mercy (the "Trinity Health Affiliates"), that currently operate in California, Idaho, Indiana, Iowa, Maryland, Michigan and Ohio. Trinity Health and the Trinity Health Affiliates, which at present include all Designated Affiliates (described below), are sometimes collectively referred to in this Appendix A as the "Health System." Trinity Health, the Trinity Health Affiliates and the Designated Affiliates are referred to in this Appendix A in the context of the Master Indenture as the "Trinity Health Credit Group" or the "Credit Group." Trinity Health is the only member of the Trinity Health Credit Group with a direct obligation to make payments on Obligations issued under the Master Indenture, including the Series 2005 Obligations that secure the Bonds.

The health care facilities owned and operated by members of the Health System include general acute care hospitals, long-term care facilities, skilled nursing facilities and behavioral health facilities with an aggregate of 8,588 staffed beds, as well as residential facilities for the elderly with an aggregate of 1,538 living units (both figures as of June 30, 2005). Additional health care and related services provided by members of the Health System include physician services, home health, outpatient surgery, dental clinics, occupational health, mobile health care services, school-based health clinics, skilled nursing facilities, assisted living facilities, senior housing and managed care organizations.

Trinity Health may name Trinity Health Affiliates and other entities as "Designated Affiliates" under the Master Indenture. Designated Affiliates are not obligated to make payments on Obligations issued under the Master Indenture but, at Trinity Health's direction, may be required to pay, loan or transfer funds to Trinity Health sufficient to make payments on Obligations issued under the Master Indenture, including the Series 2005 Obligations, that secure the Bonds. As of June 30, 2005, there were eighteen Designated Affiliates. For the fiscal year ended June 30, 2005, these Designated Affiliates generated, in the aggregate, approximately 82.2% of the Credit Group's unrestricted revenue and owned, in the aggregate, approximately 85.9% of the Credit Group's total assets.

Those Designated Affiliates whose individual total revenues exceed 5% of the combined total revenues of the Credit Group in any fiscal year are Material Designated Affiliates as that term is defined in the Master Indenture. For additional information concerning the obligations of Designated Affiliates, see "THE TRINITY HEALTH CREDIT GROUP" and "THE BONDS - Security for the Bonds - The Master Indenture," in the forepart of this Official Statement.

Trinity Health and all of the current Designated Affiliates are exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986 (the "Code"), as amended, as organizations described in Section 501(c)(3) of the Code, and are not private foundations within the meaning of Section 509(a) of the Code.

The following is a list of the principal facilities owned by and health care services provided by Designated Affiliates. The list does not include Designated Affiliates that provide corporate services to other Trinity Health Affiliates, other Designated Affiliates that are not themselves licensed providers of health care services, Trinity Home Health Services and other licensed providers of health care services which do not own facilities. Some of the Designated Affiliates own and operate facilities at multiple geographic locations. Each of these facilities is individually licensed and has a distinct Medicare provider number.

Designated Affiliates
As of June 30, 2005

State	Designated Affiliate	Description of Facility/Activity	Number of Licensed Facilities and Beds [1]	Location
California	Saint Agnes Medical Center [2]	Acute Care	1/436	Fresno
Idaho	Saint Alphonsus Regional Medical Center, Inc. [2]	Acute Care	1/392	Boise
	Saint Benedict's Family Medical Center, Inc. [3]	Acute Care and Skilled Nursing	1/65	Jerome
Indiana	Saint Joseph's Regional Medical Center- South Bend Campus, Inc. [2]	Acute Care and Long-Term Care	1/339	South Bend
	Saint Joseph's Regional Medical Center- Plymouth Campus, Inc.	Acute Care	1/58	Plymouth
	Saint Joseph Community Hospital of Mishawaka, Inc.	Acute Care	1/100	Mishawaka
	Trinity Continuing Care Services - Indiana, Inc.	Comprehensive Care and Residential Care	5/575	South Bend, San Pierre
Iowa	Mercy Health Services - Iowa, Corp. [2]	Acute Care and Long-Term Care	2/491	Dubuque, Dyersville
		Acute Care, Skilled Nursing, Psychiatric Care and Acute Rehabilitation	2/346	Mason City
		Acute Care and Skilled Nursing	1/18	New Hampton
		Acute Care	1/484	Sioux City
	Mercy Medical Center - Clinton, Inc.	Acute Care and Long-Term Care	2/350	Clinton
Maryland	Holy Cross Hospital of Silver Spring, Incorporated [2]	Acute Care	1/437	Silver Spring
	Trinity Continuing Care Services - Indiana, Inc.	Comprehensive Care	1/145	Burtonsville

State	Designated Affiliate	Description of Facility/Activity	Number of Licensed Facilities and Beds [1]	Location
Michigan	Trinity Health - Michigan [2]	Acute Care and Psychiatric Care	1/304	Livonia
		Acute Care	1/119	Port Huron
		Acute Care and Psychiatric Care	2/529	Ann Arbor
		Acute Care	1/136	Howell
		Acute Care	1/82	Saline
		Acute Care and Psychiatric Care	1/428	Pontiac
		Acute Care	1/97	Cadillac [4]
		Acute Care and Long-Term Care	1/130	Grayling [4]
		Acute Care and Psychiatric Care	2/324	Grand Rapids
		Acute Care	2/282	Muskegon
	Battle Creek Health System	Acute Care and Psychiatric Care	2/211	Battle Creek
	Trinity Continuing Care Services	Nursing Home, Long-Term Care and Home for the Aged	7/1,014	Warren, Royal Oak, Battle Creek, Fraser, Grand Rapids, Grand Haven, Muskegon
Ohio	Mount Carmel Health [2]	Acute Care and Psychiatric Care	2/888	Columbus
	St. Ann's Hospital of Columbus, Inc.	Acute Care	1/256	Westerville

Note [1] : Includes all licensure categories except for normal newborn bassinettes and partial hospitalization psychiatric beds.
Note [2]: Material Designated Affiliate.
Note [3] See "Acquisitions, Divestitures and Other Transactions – Pending Transactions" on page A-40 herein.
Note [4]: Managed by Munson Health System, a nonprofit health system based in northern Michigan.

Utilization Trends

The following table shows selected utilization statistics for the acute and long-term care facilities owned or leased and operated by Designated Affiliates for the fiscal years ended June 30, 2003, 2004 and 2005. The combined statistics presented below for the fiscal year ended June 30, 2003 exclude Saint John's Health System in Anderson, Indiana ("Saint John's"), which was sold during that fiscal year. As a result, this statistical presentation is consistent with the presentation of consolidated statements of operations and changes in unrestricted net assets presented on page A-17 herein.

	Years Ended June 30,		
	2003	**2004**	**2005**
Acute Care Facilities [1]			
Staffed Beds	5,680	5,893	5,925
Admissions	297,009	302,106	303,760
Patient Days	1,367,407	1,383,366	1,378,818
Average Length of Stay (Days)	4.60	4.58	4.54
Staffed Bed Occupancy	66.0%	64.1%	63.8%
Outpatient and Emergency Room Visits	5,802,227	5,911,782	5,942,255
Long-Term Care Facilities [2]:			
Staffed Nursing Facility/Home for Aged Beds	2,207	1,988 [3]	1,988
Patient Days	727,516	655,741 [3]	647,420
Staffed Bed Occupancy	90.3%	90.1% [3]	89.2%

Note [1]: Excludes newborn statistics, but includes statistics for psychiatric facilities.
Note [2]: Includes statistics for skilled nursing facilities, comprehensive care and home for the aged facilities, but excludes residential care units.
Note [3]: Statistics exclude data for St. Joseph Living Center, which was sold during fiscal year 2004, and a full year's impact of the closure of Holy Cross Living Center during fiscal year 2003.

GOVERNANCE AND MANAGEMENT

Governance

The Trinity Health Bylaws provide that the Board of Directors of Trinity Health (the "Trinity Board") will consist of not less than twelve nor more than fifteen people and will be divided into two classes. One class (the "CHM Directors") consists of members of Catholic Health Ministries who are designated by Catholic Health Ministries to serve as CHM Directors. The CHM Directors serve at the pleasure of Catholic Health Ministries. The other class consists of the remaining Directors and includes the President and Chief Executive Officer of Trinity Health, who serves *ex officio*, with a vote, and such other Directors whose appointment is ratified by the CHM Directors. The number of CHM Directors is intended to be approximately one-third of the total number of Directors. Directors not serving *ex officio* are appointed for three-year terms, with total service not to exceed ten consecutive years.

The following powers and responsibilities are reserved to the CHM Directors: (i) approval of any amendments, modifications or restatements of the Articles of

Incorporation of Trinity Health; (ii) approval of any amendments, modifications or restatements of the Bylaws of Trinity Health that affect the rights of the CHM Directors as set forth in the Articles of Incorporation; (iii) approval of any changes to the Mission and Core Values of Trinity Health, and final approval of matters that affect the Catholic identity of Trinity Health; (iv) approval of the sale, lease, mortgage, transfer or encumbrance of or easement on any property of Trinity Health which requires approval under Canon Law; (v) approval of any merger, consolidation, liquidation or dissolution of Trinity Health, the acquisition of Trinity Health or the sale of all or substantially all of the assets of Trinity Health; (vi) ratification of the appointment of and removal, with or without cause, of the members of the Trinity Board, other than CHM Directors; (vii) ratification of the appointment of and removal, with or without cause, of the President and Chief Executive Officer of Trinity Health, in consultation with the Trinity Board; and (viii) ratification of the election of the Chair of the Trinity Board.

The current members of the Trinity Board are set forth below.

Name	Occupation	Term Expires December 31,
William Kreykes, Chair	Retired health care executive	2007
Patrick G. Hays, Vice Chair	Adviser to Management, Clinical Professor, University of Southern California	2006
Suzanne Brennan, CSC	Executive Director, Holy Cross Ministries, Salt Lake City, Utah	2005
Cheryln Chin	Corporate Vice President, Software Market Development, Motorola, Inc., Mountain View, California	2006
Lawrence Damron	Retired finance executive, Lincolnshire, Illinois	2006
Melanie Dreher, PhD, RN	Dean and Professor, University of Iowa College of Nursing	2007
Yvonne Gellise, RSM	Senior Advisor, Governance, Saint Joseph Mercy Health System, a Hospital Ministry Organization	2005
James Hendricks	James Hendricks and Associates, Fresno, California	2007
Kenneth W. Kizer, MD	President and Chief Executive Officer, National Quality Forum, Washington, D.C.	2006
Mary Mollison, CSA	Director of Pastoral Care, Agnesian Health Care	2006
Kathleen Moroney, CSC	Attorney, Immigration Legal Services, Holy Cross Ministries, Salt Lake City, Utah	2006
Linda Murray, MD	Co-Chief Medical Officer, Ambulatory & Community Health Network, Cook County Bureau of Health Services, Chicago, Illinois	2007
Jose L. Santillan, CFA	Chief Investment Officer, LaSalle Bank Wealth Management Group, ABN AMRO Bank, Chicago, Illinois	2007
Joseph R. Swedish	President and Chief Executive Officer, Trinity Health	*Ex officio*

Operations

Trinity Health announced a reorganization of its operations effective July 1, 2005 (the "Reorganization"). The Reorganization was designed to enhance Trinity Health's ability to provide operating resources at the local level while simultaneously responding to broad policy issues and other factors which affect all of its operations. In conjunction with the Reorganization, several changes to Trinity Health's senior management team were instituted. (See "Senior Management" on page A-11 herein.)

Ministry Organizations. The operations of the Health System are organized into "Ministry Organizations," each of which either includes at least one hospital, as well as other facilities and programs within a specific geographic area (each a "Hospital Ministry Organization"), or is dedicated to a particular service line or business. Ministry Organizations are the operating units of the Health System and may include facilities owned by Designated Affiliates or may be part of a Designated Affiliate. (For a listing of Designated Affiliates that own and operate licensed health care facilities, please refer to the table beginning on page A-3.) Each Ministry Organization has been delegated certain governance and management responsibilities over its operations and are managed under the leadership of the President of Hospital and Health Networks, one of the newly created senior management positions referenced above. A listing of the largest Ministry Organizations as measured by total unrestricted revenue is provided on page A-18 herein.

Trinity Health provides a number of centralized services and standardized processes to the Ministry Organizations. These include purchasing and supply chain management, legal services, financial management and treasury services, organizational integrity and audit services, administration of retirement plans and employee benefit programs, insurance, risk management and common core information systems.

Hospital Ministry Organizations. The Health System's acute care hospital operations are organized into nineteen Hospital Ministry Organizations. Because of the number of Hospital Ministry Organizations in Michigan, a senior executive who reports to the President of Hospital and Health Networks has been designated to provide overall leadership and guidance to those entities as well as those Hospital Ministry Organizations in Indiana and the Health System's long-term care and home care operations discussed below.

Other Health-Related Ministry Organizations. In addition to acute care hospital operations, Trinity Health and the Trinity Health Affiliates also own and operate other health-related Ministry Organizations and provide support services to health care providers. Based on unrestricted revenue, the largest of the health-related Ministry Organizations are the managed care operations, the long-term care and senior housing operations and the home care operation. Trinity Continuing Care Services and Trinity Continuing Care Services-Indiana, Inc., both of which own and operate long-term care

and senior housing facilities, and Trinity Home Health Services, which provides home health services, are Designated Affiliates.

Performance Monitoring and Enhancement. As part of its organizational performance improvement activities, Trinity Health's central management makes use of benchmarking in monitoring the performance of individual Ministry Organizations. When operational problems at a specific Ministry Organization are identified, a multi-disciplinary performance improvement team is assembled with participants of varying competencies selected depending on the nature and scope of the problems identified. Improvement teams' activities range from reviewing actions already taken by local management to providing specific resources to assist in implementing management initiatives. Such improvement teams meet frequently to monitor progress in operational improvements.

In addition to the management initiatives described above, Ministry Organizations often develop and implement successful performance improvement strategies prior to any deterioration in operating results. Successful improvement initiatives developed by one Ministry Organization are then made available to others as appropriate. In addition, innovative techniques from other industries have been successfully applied by certain Ministry Organizations to improve operating and clinical results. When appropriate, such techniques are adopted by other Ministry Organizations to enhance their operating results.

Information Technology. An integral element of Trinity Health's process improvement initiatives is the substantial investment being made in information systems. Trinity Health's initiative in information technology, "Project Genesis," is a set of related projects designed to integrate clinical, financial and planning data through a common information system that, when fully operational, will serve the Ministry Organizations. Project Genesis has four main structural components: (i) computerized physician order entry ("CPOE"), which will be used to communicate physician orders directly to ancillary departments and other clinical staff and result in the generation of more accurate patient billing; (ii) adverse drug event notification system ("ADE"); (iii) electronic medical records ("EMR"); and, (iv) financial systems, which are a combination of applications designed to enhance support functions such as revenue cycle management, human resources, financial management and supply chain management.

In the aggregate, Project Genesis currently has an approved total capital budget of approximately $235 million, of which approximately $158 million has been expended since its inception in fiscal year 2001. The capital expenditures related to Project Genesis do not include routine replacement or upgrade of existing hardware such as servers and personal computers. In addition, certain personnel training and implementation costs related to Project Genesis have been recorded as operating expenses in the fiscal years in which they were incurred.

Project Genesis is being implemented in phases over a multi-year time frame. The estimated capital costs of completing Project Genesis are incorporated in Trinity Health's five-year capital plan. Since originally conceived, Project Genesis has been modified and expanded to incorporate additional applications and the implementation timeline has been expanded accordingly. Management updates the Finance and Stewardship Committee of the Board regularly as to the status of Project Genesis, including reports on the implementation schedule and expenditures to date compared to the overall budget. Management is revising the capital budget for Project Genesis and expects to request approval from the Board to increase the capital budget during fiscal year 2006. Although the exact amount of this request has not yet been finalized, present estimates range between $47 million and $70 million over the currently approved capital budget for the project.

In order to ensure that the implementation of Project Genesis is managed effectively, Trinity Health has assigned a team of full-time staff to a project management office that at present reports directly to Trinity Health's President and Chief Executive Officer. Once the President of Integrated Services has been appointed, it is anticipated that the project management staff will report to that person. These personnel coordinate all the activities of home office staff, the Ministry Organizations, internal information technology staff and external vendors in managing the implementation of Project Genesis. To audit the project's scope, budget and schedule, Trinity Health engaged an external consultant in April 2005. The consultant report was presented to the Board of Directors in September 2005 and in general confirmed the project direction.

The ADE system is fully operational at all Hospital Ministry Organizations. The CPOE, revenue cycle management and EMR systems are being installed at one Hospital Ministry Organization at a time to ensure continued operational integrity. As of September 30, 2005, CPOE, revenue cycle management and EMR were fully operational at seven Hospital Ministry Organizations. Management anticipates that two additional installations of these systems will be completed by the end of fiscal year 2006 and that all installations of these systems will be completed by the end of fiscal year 2008. Development of the supply chain management systems began in fiscal year 2004 and installations at two Hospital Ministry Organizations plus the home office (including information systems and managed care) were completed during fiscal year 2005.

As part of its investment in information technology, Trinity Health has established two independent data centers situated in geographically disparate locations. As Project Genesis is implemented, each of these independent data centers will store the same information for all the Hospital Ministry Organizations. This purposeful creation of system redundancy is designed to protect the Hospital Ministry Organizations' operations in the event that a natural disaster or other similar event affects the operations of one data center or the other.

Community Benefit Ministry

As described more completely under the caption "ORGANIZATION AND MISSION - Community Benefit Ministry" in the notes to the consolidated financial statements included as Appendix B hereto, consistent with its mission Trinity Health and its Affiliates provide health care services to all patients regardless of their ability to pay. Trinity Health has finance policies defining financial support criteria which have been implemented by each Ministry Organization. In accordance with the guidelines and standard definitions released by the Catholic Health Association of the United States in November 2004, Trinity Health delineates its Community Benefit Ministry into two broad categories: (i) Ministry for the Poor and the Underserved; and, (ii) Ministry for the Broader Community. In addition, Trinity Health has refined its underlying methodology for calculating charity care and the unpaid cost of providing care to patients covered by the Medicaid and Medicare programs. The activities of Trinity Health and its Affiliates in each of these areas are described briefly below.

Ministry for the Poor and Underserved. During the three fiscal years ended June 30, 2005, Trinity Health and its Affiliates have incurred, in the aggregate, approximately $511.6 million in costs related to providing services and programs to the working poor, the uninsured, the underinsured and the indigent. Of this total, approximately $268.3 million is related to charity care and specific services provided for the poor and underserved populations for which no bill is rendered or for which the fee assessed covers only a portion of the costs of the services provided. Such services and programs include primary care clinics, programs designed to improve women's health, free or low-cost prescription medications and other outreach programs in both rural and urban areas. The balance, approximately $243.3 million, pertains to the unpaid portion of the costs of providing services to beneficiaries of Medicaid and other state and local indigent care programs.

Ministry for the Broader Community. During the three fiscal years ended June 30, 2005, Trinity Health and its Affiliates have incurred, in the aggregate, approximately $178.5 million in costs related to providing services for the general benefit of the populations in each community in which they operate. Of this total, approximately $86.2 million related to health professions education and $92.3 million related to the cost of community health services and subsidized health services for which no bill is rendered or for which the fee assessed covers only a portion of the costs of the services provided. Such community health and services include health fairs, immunization clinics, substance abuse and smoking cessation programs, cancer screening, school wellness programs, elderly meal programs and bereavement counseling.

Unpaid Cost of Medicare. In addition to the Ministry for the Poor and Underserved and the Ministry for the Broader Community, Trinity Health also reports the Unpaid Cost of Medicare as a separate item in reporting its overall community benefit ministry. During the three fiscal years ended June 30, 2005, the cost of providing services to beneficiaries of the Medicare Program in excess of payments received totaled approximately $438.2 million.

Senior Management

Management of Trinity Health is vested in the President and Chief Executive Officer, who is appointed by the Trinity Board, with the ratification of the CHM Directors. Management of Trinity Health then is coordinated through the senior management team. On November 8, 2004 the Trinity Board approved, and the CHM Directors ratified, the appointment of Joseph R. Swedish as President and Chief Executive Officer of Trinity Health. Mr. Swedish assumed his duties on January 1, 2005.

Since assuming his responsibilities Mr. Swedish has made several changes to the configuration of Trinity Health's senior management team. On February 11, 2005, James H. Peppiatt-Combes was appointed to the newly created position of Chief Development Officer of Trinity Health. Simultaneously, it was announced that Mr. Peppiatt-Combes would relinquish his position as Chief Financial Officer of Trinity Health once a successor was appointed. On August 30, 2005 it was announced that Edward Chadwick, who has held several senior finance positions within Trinity Health and one of its predecessor organizations, had been appointed as Senior Vice President and Chief Financial Officer effective September 1, 2005.

As part of the Reorganization, the positions of Chief Operating Officer and Executive Vice Presidents for the Eastern and Western Divisions were eliminated. Responsibility for the operations of all Hospital Ministry Organizations as well as long-term care and senior residences, home health care and physician and clinical services has been assigned to the new position of President, Hospital and Health Networks. This position was filled by Michael A. Slubowski, previously Executive Vice President for the Eastern Division. The new position of President, Integrated Services was created to oversee finance operations, information systems, Project Genesis, insurance and risk management, supply chain management, capital project management and managed care. At present this position has not yet been filled. Until the President, Integrated Services has been appointed, these functions will report to Mr. Swedish. An executive search firm has been engaged to assist Trinity Health in identifying candidates for this position.

Following Mr. Swedish, the present members of Trinity Health's senior management team are listed below in alphabetical order.

Joseph R. Swedish President and Chief Executive Officer. Age: 54. Prior to assuming his current position with Trinity Health, Mr. Swedish had served as President and Chief Executive Officer of Centura Health since 1999. Prior to joining Centura Health, he was President and Chief Executive Officer of the Central Florida Division of Columbia/HCA Healthcare Corporation. Mr. Swedish is a fellow of the American College of Healthcare Executives and was awarded the 2004 Career Service Award from that organization. Mr. Swedish has a bachelor's degree from the University of North Carolina at Charlotte and a masters degree in health administration from Duke University.

Paul Browne, Senior Vice President and Chief Information Officer. Age 41. Mr. Browne has overall responsibility for Trinity Health's information services function. Immediately prior to being appointed to his current position in January 2005, Mr. Browne had managed several information services projects at Trinity Health, including Project Genesis. Previously, Mr. Browne served as Chief Information Officer at one of Trinity Health's managed care plans and prior to that held several positions at SelectCare, Inc., a managed care company, and at Andersen Consulting. Mr. Browne has a bachelor's degree in economics from the University of Michigan.

Debra Canales, Executive Vice President, Organization and Talent Effectiveness. Age 44. Ms. Canales was appointed to this position effective November 1, 2005. Prior to joining Trinity Health, Ms. Canales was Senior Vice President of Human Resources at Centura Health. Ms. Canales previously served as a human resource executive at Compaq Computer Corporation, KFC/PepsiCo and R.H. Macy's, Inc. Ms. Canales has a bachelor of business administration from the University of Texas at Austin.

Marsha Casey, President, Michigan and Indiana Regional Ministries. Age: 49. Prior to assuming her current position Ms. Casey had been Executive Vice President for Trinity Health's Western Division since February 2002. Prior to joining Trinity Health, Ms. Casey was President of St. Vincent Hospital in Indianapolis, Indiana. Prior to joining St. Vincent, Ms. Casey was the Chief Executive Officer of Vanderbilt University Hospital in Nashville, Tennessee, was Senior Vice President of St. Luke's Episcopal Hospital in Houston, Texas, and was the Director of the Heart Institute and Cardiovascular and Pulmonary Rehabilitation Department at Mother Frances Hospital in Tyler, Texas. Ms. Casey has a bachelor's degree in nursing from Ball State University and a master's degree in allied health from the University of Texas at Tyler. In May 2000, Ms. Casey received an Honorary Doctorate of Science from Ball State University. She is a member of the American College of Healthcare Executives and Young Presidents Organization.

Edward Chadwick, Senior Vice President, Chief Financial Officer. Age 46. Mr. Chadwick was appointed Chief Financial Officer for Trinity Health effective September 1, 2005. Prior to that appointment, Mr. Chadwick served as Senior Vice President, Finance responsible for treasury, financial planning and analysis, revenue management and finance alignment for certain Ministry Organizations. Previously, Mr. Chadwick served as Vice President, Finance for Mercy, Chief Financial Officer for the St. Joseph Mercy Oakland Ministry Organization and Controller of the University of Chicago Hospitals. Mr. Chadwick has a bachelor's degree in Economics from the University of Michigan, a Master in Business Administration degree from the University of Chicago.

Catherine DeClercq, OP, Vice President, Governance and Sponsorship. Age: 69. Sister DeClercq supports the work of Catholic Health Ministries, the Public Juridic

Person that sponsors Trinity Health, and its Board of Directors. She previously served as Assistant to the President of Mercy since 1987, assuming responsibility for Mercy governance and working with the sponsors, the Sisters of Mercy, Regional Community of Detroit. From 1978 to 1986 she held the position of General Council Member and Administrator for the Adrian Dominican Congregation based in Adrian, Michigan. In her leadership role with the Adrian Dominican Congregation, Sister DeClercq helped guide the Adrian Dominican Hospitals in California and Nevada into Catholic Healthcare West. She has a bachelor's degree from Siena Heights University and a master's degree from the University of Michigan.

M. Gretchen Elliott, RSM, Senior Vice President, Mission Integration. Age: 64**.** Sister Elliott oversees community benefit ministry, ethics, spiritual care and social accountability for Trinity Health. Previously, Sister Elliott served as Vice President of mission services for Mercy from 1997. From 1990 to 1998, she served as the president of the Religious Sisters of Mercy -Regional Community of Detroit. Sister Elliott serves on the Boards of the Poverty and Social Reform Institute, Detroit and Supportive Care of the Dying and on the advisory board of the Center for Catholic Health Care and Sponsorship. She served as a member of the Mercy Administrative Team of the Sisters of Mercy of the Union from 1984 to 1990. As a member of this team, she participated in the planning for the dissolution of the Sisters of Mercy of the Union and the founding of the Institute of the Sisters of Mercy of the Americas. Sister Elliott has a bachelor of arts degree from Mercy College of Detroit and a master of arts degree from Wayne State University.

Louis Fierens, Senior Vice President, Supply Chain and Capital Projects Management. Age: 42. Mr. Fierens is responsible for directing supply chain operations and overseeing large scale capital projects for Trinity Health. Prior to joining Trinity Health in 2001, Mr. Fierens held ***several*** positions with General Motors Corporation, including Director, Global Process Group and Director, GMSupplyPower. Mr. Fierens received his Bachelor of Arts Degree in Materials and Logistics Management from Michigan State University, a Master of Business Administration from the University of Michigan and completed the Accelerated Development Programme at the London Business School.

Joy Gorzeman, RN, MSN, MBA, Senior Vice President, Patient Care Services/Chief Nursing Officer. Age 53**.** Ms. Gorzeman provides leadership and clinical expertise, working with clinical leadership at the Ministry Organizations to develop and implement best practices in clinical processes. Ms. Gorzeman has held this position since January 2005. Prior to joining Trinity Health, Ms. Gorzeman was Chief Operating Officer and Chief Nurse Executive at Tri-City Medical Center in Oceanside, California. Previously, Ms Gorzeman held increasingly responsible positions within the St. Anthony's Health Care system in St. Petersburg, Florida and at Manatee Memorial Hospital. Ms. Gorzeman received her nursing training at the St. Joseph Mercy School of Nursing, a bachelor of science and masters of science in nursing from University of Texas at Arlington and a Masters in Business from San Diego State University.

Daniel G. Hale, Senior Vice President, General Counsel. Age: 59. Mr. Hale became General Counsel of Holy Cross in August 1996. Previously, he served as Partner and Chairman of the Health Law Group at Drinker Biddle & Reath, a law firm in Philadelphia, Pennsylvania. Prior to joining Drinker Biddle & Reath in 1993, he was Vice President for Legal Services for Franciscan Health System, Aston, Pennsylvania, for three years, and prior to that was a partner in the law firm Baker & Hostetler in Columbus, Ohio. Mr. Hale received his law degree from Capital University Law School and his bachelor of arts degree in English from Kenyon College, Gambier, Ohio. A frequent speaker, lecturer and author on various aspects of health care law, Mr. Hale is a member of the American Bar Association and the American Health Lawyers Association. He previously was an adjunct professor of law at Capital University Law School.

Michael Holper, CPA, CIA, CHC, Vice President, Organizational Integrity and Audit Services. Age 42. Mr. Holper is responsible for the design, implementation and maintenance of compliance and internal audit for Trinity Health. Mr. Holper has held his present position with Trinity Health since its formation. Previously, Mr. Holper was Vice President of the Corporate Audit Group at Holy Cross and Senior Manager of the Indiana Health Care Practice of Ernst & Young, LLP. Mr. Holper has a bachelor of science in accounting from Marian College.

M. Narenda Kini, MD, MSHA, Executive Vice President of Clinical Operations Support. Age: 42. Dr. Kini is responsible for leading clinical outcomes measurement, patient safety initiatives, clinical information system implementation, and clinical leadership development. Dr. Kini has held this position since April 2004. Prior to joining Trinity Health, Dr. Kini was the Director of the GE Health Leadership Institute, Waukesha, Wisconsin, where he led the company's efforts to enhance advanced technologies in health care. He also served as General Manager, Enterprise Marketing for GE Medical Systems Information Technologies. Prior to joining GE, Dr. Kini was a practicing emergency room physician, and Vice President of Clinical and Support Services at the Children's Hospital of Wisconsin. Dr. Kini also taught in the Department of Pediatrics at the Medical College of Wisconsin, where he was Associate Clinical Professor of Pediatrics. He is Board Certified in Pediatrics and Pediatric Emergency Medicine, and is a Fellow, American Academy of Pediatrics. Dr. Kini has medical degree from the University of Lagos, Nigeria and a graduate degree in health administration from the University of Alabama.

James H. Peppiatt-Combes, Chief Development Officer. Age: 67. Prior to assuming this position, Mr. Peppiatt-Combes was the Chief Financial Officer of Trinity Health and prior to that Executive Vice President and Chief Financial Officer of Mercy, which he joined in May 1988. Previously, Mr. Peppiatt-Combes was Chief Financial Officer of The Research Health Services System in Kansas City, Missouri. Throughout his career, Mr. Peppiatt-Combes has held financial and operating executive positions with various corporations, including NCR, Hertz, AM International, Vinnell and Alfred Abela & Co. His professional affiliations include Healthcare Executive Network, American

Management Association Finance Council, Healthcare Chief Financial Officers Academy, Healthcare Financial Management Association and Financial Executives Institute. Mr. Peppiatt-Combes received a bachelor of science degree in industrial engineering from the Illinois Institute of Technology and a master's degree in business administration from Harvard Business School.

Michael A. Slubowski, President, Hospital and Health Networks. Age: 51. Prior to assuming his current position, Mr. Slubowski had been the Executive Vice President for the Eastern Division of Trinity Health since July 2001 and previously Executive Vice President for the Michigan region for both Trinity Health and Mercy since September 1, 1999. Previously, he held the position of Vice President/Director of Operations-Michigan for Mercy. From 1990 to 1997, Mr. Slubowski held executive positions at Providence Hospital and Medical Centers, Southfield, Michigan. For the years 1976 to 1990, he held various management and executive positions at St. Joseph's Health Network of Mt. Clemens, Michigan, Samaritan Physicians Center, Phoenix, Arizona, and Henry Ford Health System, Detroit, Michigan. Mr. Slubowski is a fellow of both the American College of Healthcare Executives and the American College of Medical Practice Executives, a member of the Medical Group Management Association, a former director on the boards of Blue Care Network of southeast Michigan and Allegiance Corporation, and a former founding co-chair of the Steering Committee of Healthy People, Healthy Oakland. Mr. Slubowski earned a bachelor's degree in business administration and a master's in business administration from Wayne State University in Detroit, Michigan, and received a certificate in advanced leadership from the University of Michigan in 2002.

FINANCIAL AND OPERATING INFORMATION

General

The consolidated financial statements for Trinity Health for the two fiscal years ended June 30, 2004 and 2005 included in Appendix B have been audited by Trinity Health's independent auditors. The consolidated financial statements for Trinity Health include the financial position and results of operations of all Trinity Health Affiliates as of June 30, 2005.

The summary consolidated financial information presented below for Trinity Health for each of the three fiscal years ended June 30, 2003, 2004 and 2005 has been derived by Trinity Health management from Trinity Health's audited consolidated financial statements for the periods presented. The following summary consolidated financial information should be read in conjunction with the section herein entitled "Management's Discussion and Analysis of Recent Financial Performance" and the audited consolidated financial statements and related notes that appear in Appendix B.

Subsequent to the issuance of Trinity Health's 2004 financial statements, management determined that the assets and obligations resulting from its securities lending activities should be presented as separate line items within current assets and current liabilities on the consolidated balance sheet. The accompanying June 30, 2004 financial statements included in Appendix B have been restated to present the assets and liabilities of $249.9 million resulting from securities lending activities on the balance sheet and the related cash flows as investing and financing activities. The restatement had no impact on previously reported excess of revenue over expenses, or net assets of Trinity Health.

Summary Consolidated Statements of Operations and Changes in Unrestricted Net Assets

The following table summarizes the consolidated operating results for Trinity Health for its three most recent fiscal years.

Summary Consolidated Statements of Operations and Changes In Unrestricted Net Assets (dollars in thousands)

	Years Ended June 30,		
	2003	**2004**	**2005**
UNRESTRICTED REVENUE			
Net patient service revenue	$4,218,043	$4,489,470	$4,832,280
Other revenue [1]	738,687	797,017	882,395
TOTAL UNRESTRICTED REVENUE	4,956,730	5,286,487	5,714,675
EXPENSES:			
Labor expenses	2,516,363	2,715,438	2,849,957
Supplies	804,541	885,976	954,696
Purchased services [2]	636,210	625,425	701,845
Depreciation and amortization	268,425	273,442	293,569
Provision for bad debts	179,978	186,361	218,004
Interest	72,873	60,977	78,999
Other [3]	362,590	398,592	435,986
TOTAL EXPENSES	4,840,980	5,146,211	5,533,056
OPERATING INCOME	115,750	140,276	181,619
NONOPERATING ITEMS:			
Investment income-marketable securities	1,160	111,708	140,538
Equity earnings, other investments, primarily unrealized gains	—	—	23,424
Loss from extinguishment of debt	(1,247)	(10,545)	(8,233)
External financial interest	(4,742)	(1,272)	(7,886)
EXCESS OF REVENUE OVER EXPENSES	110,921	240,167	329,462
OTHER CHANGES IN UNRESTRICTED NET ASSETS:			
Change in net unrealized gains on marketable securities	24,136	167,479	(29,236)
Change in market value of interest rate swaps	(22,663)	13,063	(14,518)
Net assets released from restrictions for capital acquisitions	23,747	32,796	31,899
Change in additional minimum pension liability	(358,713)	104,056	22,519
Discontinued operations of Saint John's Health System	(13,189)	—	—
Other changes in unrestricted net assets	(2,600)	(4,793)	896
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	$(238,361)	$552,768	$341,022

Note [1]: Includes premium and capitation revenue.
Note [2]: Includes medical claims and capitation purchased services.
Note [3]: Includes occupancy costs.

Designated Affiliates

The Designated Affiliates have accounted for a substantial portion of Trinity Health's total consolidated unrestricted revenue, excess of revenue over expenses and total assets in each of the three most recent fiscal years. The following table summarizes the relative portion of certain financial statistics accounted for by the Designated Affiliates, as compared to consolidated information for Trinity Health, for each of the three fiscal years ended June 30, 2003, 2004 and 2005.

	Years Ended June 30,		
	2003	2004	2005
Unrestricted Revenue	82.8%	83.3%	82.2%
Excess of Revenue over Expenses	91.5%	96.1%	96.6%
Cash, Cash Equivalents and Investments Classified as Current Assets	75.1 %	75.9%	77.6%
Total Assets	86.9%	86.7%	85.9%
Unrestricted Net Assets	95.4%	92.0%	92.7%

Ministry Organizations

The Ministry Organizations that contributed at least 3% to the Credit Group's unrestricted revenue during fiscal year 2005 are listed in the table below. For a description of Ministry Organizations, see "Operations" beginning on page A-7. As depicted in the table, "EBITDA" is defined as operating income plus depreciation, amortization, interest expense and income taxes. The statistics for the Ministry Organizations included in the table are before the elimination of inter-company items.

Significant Ministry Organizations
Fiscal Year Ended June 30, 2005
(Dollars In Thousands)

Ministry Organization and Location	Unrestricted Revenue	Percent of Trinity Health Consolidated Unrestricted Revenue	EBITDA	Percent of Trinity Health Consolidated EBITDA
Mount Carmel Health System (Columbus, Ohio)	$987,062	17.3%	$97,785	17.6%
Saint Joseph Mercy Health System (Ann Arbor, Michigan)	667,754	11.7%	74,519	13.4%
Saint Alphonsus Regional Medical Center (Boise, Idaho)	362,440	6.3%	39,320	7.1%
Saint Mary's Health Services (Grand Rapids, Michigan)	338,202	5.9%	32,469	5.8%
Saint Agnes Medical Center (Fresno, California)	335,295	5.9%	35,873	6.5%
Saint Joseph Regional Medical Center (South Bend, Indiana)	327,844	5.7%	28,399	5.1%
Saint Joseph Mercy - Oakland (Pontiac, Michigan)	295,778	5.2%	27,826	5.0%
Care Choices and Trinity Health Plans (Farmington Hills, Michigan)	294,598	5.2%	11,522	2.1%
Holy Cross Health Corporation (Silver Spring, Maryland)	290,826	5.1%	24,581	4.4%
Mercy Medical Center North Iowa (Mason City, Iowa)	274,966	4.8%	28,092	5.1%
Mercy Mount Clemens Corporation (Mount Clemens, Michigan)	256,999	4.5%	20,446	3.7%
Mercy General Health Partners (Muskegon, Michigan)	209,259	3.6%	17,371	3.1%
Battle Creek Health System (Battle Creek, Michigan)	200,081	3.5%	20,163	3.6%
Mercy Medical Center (Sioux City, Iowa)	193,216	3.4%	14,328	2.6%
Other Member Organizations	959,192	16.8%	105,933	19.1%
Corporate Office and Eliminations	(278,837)	(4.9%)	(23,324)	(4.2)%
Trinity Health	$5,714,675	100.0%	$555,303	100.0%

Sources of Net Patient Service Revenue

General. The members of the Trinity Health Credit Group that are health care providers derive their net patient service revenue (including long-term care revenue) from the federal Medicare program, state Medicaid programs, managed-care providers, commercial insurers (including indemnity programs), self-paying patients and other sources. The following table presents the sources of net patient service revenue for the Trinity Health Credit Group for the fiscal years ended June 30, 2003, 2004 and 2005. The table does not include premium and capitation revenue. For further information regarding the sources of revenue and the potential impacts of changes thereto, see the forepart of this Official Statement under the caption "BONDHOLDERS' RISKS."

	Years Ended June 30,		
	2003	**2004**	**2005**
Medicare	36.6%	37.5%	38.2%
Medicaid	7.8	7.8	8.1
Managed care	32.7	32.3	30.2
Indemnity, private and other	22.9	22.4	23.5
TOTAL	100.0%	100.0%	100.0%

Contracting. In Michigan, Trinity Health negotiates certain managed care and commercial payor contracts on behalf of its Ministry Organization***s***. For all other contracts, management of Trinity Health believes that each Ministry Organizations faces unique managed care contracting and commercial payor environments and that contracting, therefore, often is best done on a local level.

In support of local contracting efforts, Trinity Health has developed certain contracting tools, such as a managed care contract guide that offers recommendations for contract language and negotiation approaches. Trinity Health's managed care contracting leaders also share contracting "best practices."

Coverage of Maximum Annual Debt Service Requirement

As noted elsewhere in this Official Statement, during the fiscal year ended June 30, 2005, Trinity Health defeased a portion of its outstanding debt using a combination of operating cash and assets held by Trustees under bond indenture agreements. The amount of bonds defeased totaled approximately $91.6 million and consisted of (i) approximately $20.9 million of the Michigan State Hospital Finance Authority 1999 Series X Revenue Bonds issued for the benefit of Mercy in the original par amount of $70.9 million (the "Defeased Series X Bonds"); and, (ii) the remaining balances of four series of bonds previously issued for the benefit of Trinity Health-Michigan in the aggregate totaling approximately $70.7 million (the "Trinity Health-Michigan Bonds"). With the defeasance of the Trinity Health-Michigan Bonds, the related financing documents, including the Trinity Health-Michigan Master Indenture and Consolidation Obligations were discharged.

In addition, in November 2004 Trinity Health defeased a portion of its outstanding debt using a combination of assets held by a Bond Trustee under a bond indenture agreement and a portion of the proceeds of the Series 2004B Refunding Revenue Bonds issued on its behalf by the County of Franklin, Ohio. The amount of bonds defeased totaled approximately $20.1 million and reflected the then outstanding balance of the County of Franklin, Ohio Advance Refunding Bonds issued on behalf of Holy Cross in the original amount of approximately $44.6 million.

The table below sets forth the Credit Group's coverage of (i) the maximum annual Debt Service Requirement on Long-Term Indebtedness (both as defined in Appendix D to this Official Statement) for fiscal years 2004 and 2005, and (ii) the maximum annual Debt Service Requirement on Long-Term Indebtedness for fiscal year 2005 (as adjusted) to give effect to: (a) the issuance of the Bonds and the Refunding Bonds on July 1, 2004 in the aggregate amount of approximately $382.9 million; (b) the defeasance of the Trinity Health-Michigan Bonds and a portion of the Series X Bonds on July 1, 2004; and (c) the application of the proceeds of the Refunding Bonds to refund the Prior Bonds on that date, without reflecting any expenses to be incurred or revenues realized in connection with such transactions.

	Years Ended June 30, (Dollars in thousands)		
	2004	**2005**	**2005 (As Adjusted)**
Excess of revenue over expenses	$240,167	$329,462	$329,462
Plus: Depreciation and amortization	273,442	293,569	293,569
Plus: Unrealized gain on investments	—	(23,404)	(23,404)
Plus: Change in market value of derivatives, non-operating	(4,205)	7,316	7,316
Plus: Loss from extinguishment of debt	10,545	8,233	8,233
Plus: Interest [(1)]	60,977	78,999	78,999
Plus: Capitalized Interest	8,128	7,912	7,912
Plus: Change in market value of derivatives, interest expense	6,369	(5,796)	(5,796)
Income Available for Debt Service [(1)]	$595,423	$696,291	$696,291
Maximum Annual Debt Service Requirement [(2)]	124,373	116,720	—
Coverage of Maximum Annual Debt Service Requirement (times)	4.79	5.97	—
Maximum Annual Debt Service Requirement, as adjusted	—	—	$125,096
Coverage of Maximum Annual Debt Service Requirement (times)	—	—	5.57

Note: (1) *See Appendix D to this Official Statement for the definition of Income Available for Debt Service.*

Note: (2) *For purposes of calculating Maximum Annual Debt Service Requirement, the annual interest rate on all variable rate indebtedness for future periods has been assumed to be 3.25% for uninsured variable rate indebtedness and 3.00% for insured variable rate indebtedness.*

Capitalization

The following table presents the historical capitalization of the Trinity Health Credit Group as of June 30, 2005 and as adjusted, assuming that the Bonds and the Refunding Bonds were issued on June 30, 2005 and the proceeds applied toward the purposes described herein. (For a discussion of the use of proceeds of the Bonds and the Refunding Bonds, see "PLAN OF FINANCING" in the forepart of this Official Statement.) The information included in the table does not include lines of credit from commercial banks or taxable commercial paper because neither is classified as long-term debt. As of June 30, 2005, the combined outstanding balance of these short-term borrowings was $70.3 million.

	(Dollars In Thousands) June 30, 2005	
	Historical	**As Adjusted**
Bonds	—	$296,160
Refunding Bonds	—	86,740
Other Revenue Bonds	$1,815,759	1,732,339
Term Loans	29,789	29,789
Obligations under Capital Leases and Other	23,117	23,117
Mortgages	2,808	2,808
Total Long-Term Debt	1,871,473	2,170,953
Less: Unamortized Debt Discount	(5,796)	(5,796)
Less: Current Portion of Long-Term Debt	(47,855)	(47,855)
Net Long-Term Debt	1,817,822	2,117,302
Unrestricted Net Assets	3,370,252	3,370,252
Total Capitalization	$5,188,074	$5,487,554
Net Long-Term Debt as a Percentage of Total Capitalization	35.0%	38.6%

In addition, as of June 30, 2005**,** Trinity Health was obligated on approximately $59.1 million of additional Long-Term Indebtedness, which included capitalized leases, notes payable to certain banks and other miscellaneous debt. None of this additional Long-Term Indebtedness is secured by any Obligations.

Guaranties. As of June 30, 2005, Trinity Health had partial guarantees of various debt instruments totaling $39.7 million. Of this total, other parties are severally liable for a total of $22.0 million, thereby reducing the principal amount of debt guaranteed by Trinity Health under these structures to $17.7 million. In addition to such several guarantees, Trinity Health has fully guaranteed additional debt in the amount of $8.6 million. None of these guarantees is secured by an Obligation and, as of June 30, 2005, no payments have been made on any of these guarantees.

In addition, Trinity Health has provided a guaranty in the original amount of $74.0 million (of which $62.7 million, including current portion, is currently outstanding)

to a bond insurance company, which guarantee is secured by an Obligation. As of June 30, 2005, no payments have been made on this guarantee. For additional information regarding this transaction, see "OTHER INFORMATION-Significant Agreements and Ventures, Mercy Mount Clemens" on page A-36.

Liquidity Facilities. As of June 30, 2005, liquidity facilities in the aggregate amount of $537.3 million, which provide liquidity support for $531.4 million of variable rate bonds, were available to Trinity Health. The termination dates for these liquidity facilities range from January 2006 through December 2015. No amounts were drawn against these liquidity facilities during fiscal years 2003, 2004 and 2005.

In order to provide liquidity support for the Michigan Variable Rate Bonds, Trinity Health will enter into liquidity facilities in the approximate amount of $190.6 million plus applicable interest thereon. The termination dates for these facilities are expected to range from November 2006 to November 2008.

Interest Rate Swap Agreements. Trinity Health utilizes interest rate swaps to manage interest rate risk related to Trinity Health's fixed income investments, variable interest rate debt and variable rate leases. Pursuant to such interest rate swap agreements Trinity Health receives both variable rates and fixed rates and pays both fixed rates and variable rates based upon the BMA index and on a percentage of LIBOR, respectively. The aggregate notional amount of Trinity Health's interest rate swap agreements is $369.5 million. On September 7, 2005 Trinity Health entered into two interest rate swaps with a total notional amount of $100 million under which it receives a variable rate and pays a fixed rate. Trinity Health is considering executing one or more additional interest rate swaps with a total notional amount of approximately $80 million during fiscal year 2006.

As described in Note 2 to the consolidated financial statements included as Appendix B hereto, Trinity Health adopted the AICPA's Statement of Position 02-2 regarding accounting for derivative instruments prospectively in fiscal year 2004. Note 11 to the consolidated financial statements provides detail on the impact of these accounting changes on Trinity Health's results for fiscal year***s*** 2005 and 2004.

In the event of nonperformance by the counterparties to the interest rate swap agreements, Trinity Health could suffer adverse financial consequences. The current ratings of the counterparties to these interest rate swap agreements are at least "A" from either Standard & Poor's Corporation or Moody's Investors Service or both.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RECENT FINANCIAL PERFORMANCE

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of Trinity Health to make assumptions, estimates and judgments that affect the amounts reported in the financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. Trinity Health considers critical accounting policies to be those that require the more significant judgments and estimates in the preparation of its financial statements, including the following: recognition of net patient service revenue, which includes contractual allowances; provisions for bad debt; reserves for losses and expenses related to health care professional and general liability risks; and risks and assumptions for measurement of pension and retiree medical liabilities. Management relies on historical experience and on other assumptions believed to be reasonable under the circumstances in making its judgment and estimates. Actual results could differ materially from those estimates.

Historical Performance: Fiscal Years 2004-2005

Trinity Health's overall results for the fiscal year ended June 30, 2005 reflected continued improvement in operating results, acceptable returns on investments and a reduction in Trinity Health's additional minimum pension liability. As a result, Trinity Health's unrestricted net assets increased by $341.0 million in fiscal year 2005, an 11.3% increase from the prior fiscal year's level. Trinity Health's overall operating results for the fiscal year ended June 30, 2005 reflected continued improvements in most key indicators. As discussed in more detail below, compared to fiscal year 2004, total unrestricted revenue increased 8.1%, operating income increased 29.5%, days of net patient service revenue in accounts receivable (net of allowance for doubtful accounts) were reduced by 3.1 days or 6.1% and days cash on hand increased by 6.2% or 11 days. At the same time, Trinity Health's Community Benefit Ministry, described beginning on page A-10 herein, increased from $227.7 million in fiscal year 2004 to $264.8 million in fiscal year 2005. As a result of scheduled repayments of principal and the defeasance of certain outstanding debt discussed on page A-19 herein, long-term debt increased only 1.6% in fiscal year 2005. Due to the combination of these factors, the ratio of unrestricted cash to long-term debt increased from 138.1% to 155.8% and the ratio of long-term debt to total capitalization decreased from 37.1% as of June 30, 2004 to 35.0% as of June 30, 2005. Coverage of annual debt service decreased slightly from 5.36 times in fiscal year 2004 to 5.27 times in fiscal year 2005.

Statement of Operations and Changes in Unrestricted Net Assets. For the fiscal year ended June 30, 2005, Trinity Health's operating income of $181.6 million increased by $41.3 million or 29.5% over the prior fiscal year's level of $140.3 million and its operating margin improved to 3.18% from 2.65% for the prior fiscal year. The improvement in operating results was due to a combination of improved net revenue per unit of service and modest increases in volume. Excess of revenue over expenses for fiscal year 2005 increased by 37.2% to $329.5 million compared to $240.2 million in the prior fiscal year due largely to a 46.8% increase in non-operating investment earnings combined with improved operating results.

Revenue. Trinity Health continued its prior years' success in improving its revenue base in fiscal year 2005. By focusing on efforts to expand process improvement across all functions that impact revenue at every Hospital Ministry Organization, net patient service revenue per case mix-adjusted equivalent discharge increased 5.3% in fiscal year 2005 and total unrestricted revenue increased $482.2 million, or 8.1%, compared to fiscal year 2004. The 5.3% increase in average payment rates combined with a 1.1% increase in acute care discharges, resulted in a 7.6% increase in net patient service revenue which constituted 80.1% of the increase in total unrestricted revenue. Volume growth was dispersed among the nineteen Hospital Ministry Organizations, with eleven experiencing increases in acute care discharges, twelve experiencing increases in case mix-adjusted equivalent discharges and nine reporting increases in outpatient volume. Other operating revenue increased by 10.7% from $797.0 million in fiscal year 2004 to $882.4 million in fiscal year 2005 with $50.6 million of the increase generated from premium and capitation revenue.

Expenses. Total operating expenses increased by $386.8 million or 7.5% in fiscal year 2005 compared to fiscal year 2004. The lower rate of increase in overall operating expenses compared to the 8.1% increase in unrestricted revenue in fiscal year 2005 was a key factor in improving Trinity Health's operating margin. As in prior fiscal years, the increase in labor expense constituted the single largest portion of the overall increase in operating expenses, accounting for 34.8% of the total increase in expenses in fiscal year 2005. The largest component of the $134.5 million increase in labor expenses was salaries and wages, which increased by $122.8 million or 5.9% due to an average salary increase of 3.7% combined with a 1.6% increase in the number of full-time equivalent employees. Employee benefits increased by 0.8% as a result of a reduction in pension expense due to improved investment returns on plan assets and a reduction in retiree medical expense due to plan redesign (see "Retirement Program" beginning on Page A-41).

The balance of the increase in Trinity Health's operating expenses in fiscal year 2005 was primarily the result of increases in supplies expense, medical claims and capitated purchased services, other purchased services and bad debt expense, which together totaled $176.8 million. Supply costs increased by 7.8% or $68.7 million and constituted 17.8% of the overall increase in total operating expenses. As in the prior three fiscal years, strategic sourcing and supply chain management mitigated this rate of increase and generated approximately $17.5 million in combined savings related to non-labor operating expenses in fiscal year 2005. Medical claims and capitated purchased services increased by $45.9 million or 20.6% in fiscal year 2005 due to an increase in enrollment and the escalating cost of providing care. Other purchased services increased by $30.5 million or 7.6% due in part to expenses related to Project Genesis. Provision for bad debts in fiscal year 2005 increased $31.6 million or 17.0% compared to the prior fiscal year. Interest expense increased $18.0 million primarily as a result of the issuance of $183.7 million of revenue bonds in fiscal year 2005, an unfavorable variance of $12.2 million in the performance of interest rate swaps compared to the prior year and increases in market rates on Trinity Health's variable rate debt.

Performance Improvement Initiatives. As part of its goal of improving overall financial results, Trinity Health continue*s* to focus on improving the financial performance of its Ministry Organizations. The operating results for its Hospital Ministry Organizations located in Macomb County and Port Huron, Michigan and in Sioux City*,* Iowa improved from a combined operating loss of $11.7 million in fiscal year 2004 to a combined operating income of $7.2 million in fiscal year 2005.

Operating losses related to employed primary care providers working in primary care clinics owned by Trinity Health ("PCP") totaled $17.1 million in fiscal year 2005, a minor decrease compared to the prior fiscal year. The average loss per PCP increased by 1.8% to $39,100 in fiscal year 2005 offset by 2.7% decrease in the size of the PCP networks during the fiscal year.

Changes in Unrestricted Net Assets. As noted previously, Trinity Health's unrestricted net assets increased by $341.0 million in fiscal year 2005. The major components of this increase were $181.6 million of operating income, $164.0 of non-operating investment earnings and a current year favorable decrease in the additional minimum pension liability of $22.5 million, partially offset by net unrealized losses on marketable securities of $29.2 million.

Balance Sheet Trends. Trinity Health's total assets increased by $484.6 million or 6.9% as of June 30, 2005 compared to June 30, 2004. The largest increase in assets was recorded in the combined categories of cash and cash equivalents and investment securities classified as current assets which, in total, increased by $260.5 million or 30.2%. Net property and equipment increased $156.6 million or 6.5% and Board designated funds increased $97.8 million or 6.1%. Funds held by bond trustees under various bond indenture agreements for various project expenditures decreased $79.7 million or 31.0% from the prior fiscal year. As described more completely below, the largest decrease in liabilities was recorded in accrued pension and retiree health costs of $32.8 million (See "Liquidity and Capital Resources – Retirement Plan Investments and Actuarial Assumptions" on page A-31 herein). In aggregate current liabilities increased $60.3 million. The majority of the increase came from an increase in obligation to return security lending collateral of $33.3 million, the issuance of $20.0 million in commercial paper and an increase in salaries, wages and related liabilities of $12.7 million, partially offset by a decrease in accounts payable and accrued expenses of $7.1 million. Other changes in assets and liabilities are discussed below.

Net Patient Accounts Receivable. Patient accounts receivable increased in fiscal year 2005 by 1.3% to approximately $632.3 million, a rate lower than the 7.6% increase in net patient service revenue experienced during the fiscal year. As a result, days of net patient revenue in patient accounts receivable (net of allowance for doubtful accounts) declined from 50.9 days in fiscal year 2004 to 47.8 days in fiscal year 2005. This decrease was a result of continued improvements in Trinity Health's billing and collection procedures.

Long-Term Debt. Despite the issuance of approximately $183.7 million in revenue bonds during fiscal year 2005, total long-term debt (net of current portion) increased by only $28 million, or 1.6%, during the fiscal year. The amount of debt incurred was partially offset by the defeasance of approximately $111.7 million par amount of revenue bonds as well as by scheduled amortization of principal.

Unrestricted Cash and Investments. Unrestricted cash and investments totaled approximately $2.8 billion as of June 30, 2005, an increase of $359.3 million or 14.5% over the prior fiscal year's total. Approximately $1.1 billion or 39.6% of these funds were invested in cash and cash equivalents or investments classified as current assets compared to $862.0 million or 34.9% in the prior fiscal year. Trustee-held funds pertaining to self-insurance, benefit plans and other funds decreased slightly from $457.9 million as of June 30, 2004 to $456.3 million as of June 30, 2005 due largely to the payment of claims and expenses of approximately $110.1 million, offset in part by investment income of approximately $25.3 million and trust fund deposits of $79.5 million for estimated insurance costs.

Statement of Cash Flows. Operating activities generated $489.1 million of cash during the fiscal year ended June 30, 2005. Investing activities used $488.8 million for net purchases of property, plant and equipment and $206.5 million for purchases of investment securities. Other investing activities, largely the decrease in bond trustee-held bond funds partially offset by an increase in security lending collateral, provided an additional $56.0 million in funds for investing activities. Financing activities, largely the proceeds of the issuance of long-term debt less principal amortization and an increase in commercial paper, partially offset by the defeasance of revenue bonds, provided $105.9 million in additional funds. As a result, cash and cash equivalents increased by $9.6 million in fiscal year 2005.

Historical Performance: Fiscal Years 2003-2004

Trinity Health's overall results for the fiscal year ended June 30, 2004 reflected both continued improvement in operating results and a significant turnaround in investment performance. As a result, Trinity Health's unrestricted net assets increased by $552.8 million in fiscal year 2004, a 22.3% increase from the prior fiscal year's level. Trinity Health's overall operating results for the fiscal year ended June 30, 2004 reflected continued improvements in most key indicators. As discussed in more detail below, compared to fiscal year 2003, total unrestricted revenue increased by 6.7%, operating income increased by 21.2%, days of net patient service revenue in accounts receivable (net of allowance for doubtful accounts) were reduced by 1.6 days or 3.0% and days cash on hand increased by 14.0% or 23 days due in part to improved investment returns in fiscal year 2004. At the same time, Trinity Health's Community Benefit Ministry, described beginning on page A-10 herein, increased from $197.6 million in fiscal year 2003 to $227.7 million in fiscal year 2004. Long-term debt increased modestly in fiscal year 2004 at 2.9%. The ratio of unrestricted cash to long-term debt increased from 117.3% to 138.1% and the ratio of long-term debt to total capitalization decreased from 41.3% as of June 30, 2003 to 37.1% as of June 30, 2004. Coverage of annual debt

service increased from 3.75 times in fiscal year 2003 to 5.36 times in fiscal year 2004 primarily as a result of increased operating and investment income.

Statement of Operations and Changes in Unrestricted Net Assets. For the fiscal year ended June 30, 2004, Trinity Health's operating income of $140.3 million increased by $24.5 million or 21.2% over the prior fiscal year's level of $115.8 million and its operating margin improved to 2.65% from 2.34% for the prior fiscal year. The improvement in operating results was due to a combination of improved revenue per unit of service and increased volume. Excess of revenue over expenses for fiscal year 2004 was $240.2 million compared to $110.9 million in the prior fiscal year. This substantial improvement was primarily due to an increase in non-operating investment income, which increased from $1.3 million in fiscal year 2003 to $111.7 million in fiscal year 2004.

Revenue. Trinity Health's operating goals for fiscal year 2004 continued to include improvement in the capture of revenue. By focusing on improving its contracts with managed care payors and applying best practices in managing its accounts receivable, net patient service revenue per case mix-adjusted equivalent discharge increased 4.9% in fiscal year 2004 and total unrestricted revenue increased by $329.8 million, or 6.7%, compared to fiscal year 2003. A 5.0% increase in average payment rates combined with a 1.8% increase in acute care discharges, resulted in a 6.4% increase in net patient service revenue which constituted 82.3% of the increase in total unrestricted revenue. Volume growth was dispersed among the nineteen Hospital Ministry Organizations, with twelve experiencing increases in acute care discharges and case mix-adjusted equivalent discharges and thirteen reporting increases in outpatient volume. Long-term care days decreased by 9.0% from fiscal year 2003 due to sale of St Joseph's Living Center during fiscal year 2004 as well as the full year's impact of the sale or closure of long-term care facilities in fiscal year 2003. Other operating revenue, including capitation and premium revenue, increased from $738.7 million to $797.0 million in fiscal year 2004.

Expenses. Total operating expenses increased by $305.2 million or 6.3% in fiscal year 2004 compared to fiscal year 2003. The lower rate of increase in overall operating expenses compared to the rate of increase in unrestricted revenue in fiscal year 2004 was a key factor in improving Trinity Health's operating margin. As in prior fiscal years, the increase in labor expense constituted the vast majority of the overall increase in operating expenses, accounting for 65.2% of the total increase in expenses in fiscal year 2004. The largest component of the $199.1 million increase in labor expenses was benefit costs, which increased by $123.2 million or 27.9% due in large part to an increase of $95.4 million or 90.5% in retirement-related expense. Approximately $53 million of the total increase in retirement-related expense was due to weak investment performance in fiscal year 2003 and approximately $51 million of the increase was the result of changes in actuarial assumptions, primarily the decrease in the discount rate used to measure retirement plan liabilities. Excluding benefit costs, the $90.8 million increase in salary and wages expense was due to the combination of an average salary increase of 3.8% combined with a slight increase in the number of full-time equivalent employees of 0.7%. For the second consecutive year Trinity Health achieved a significant reduction in its contract labor costs, 21.7% in fiscal year 2004, despite continued tight labor markets. As

a result of the Ministry Organizations' ongoing attention to managing staffing, total productive hours per case mix-adjusted equivalent discharge (including contract labor) was reduced by 1.3% in fiscal year 2004.

Continuing trends experienced over the prior two fiscal years, strategic sourcing and supply chain management generated approximately $31 million in combined savings related to non-labor expenses and capital expenditures in fiscal year 2004. Excluding an inventory valuation adjustment of $11.5 million in fiscal year 2003, Trinity Health's supply costs increased by 8.6% in fiscal year 2004. The $81.4 million total increase in supply costs (including the inventory valuation adjustment) constituted 26.7% of the overall increase in total operating expenses. Provision for bad debts in fiscal year 2004 increased 3.5% compared to the prior fiscal year but, as a percent of net patient revenue, declined by 2.4%. Although long-term debt (net of current portion) increased by $51 million or 2.9% in fiscal year 2004, interest expense declined by $11.9 million or 16.3% compared to fiscal year 2003 due to an increase in Trinity Health's proportion of variable rate debt (net of fixed payor interest rate swaps) in fiscal year 2004, a change in required accounting methodology for interest rate swaps and lower market rates on Trinity Health's $707.1 million variable rate revenue bonds (net of fixed payor interest rate swaps).

Performance Improvement Initiatives. As part of its goal of improving overall financial results, Trinity Health continue*s* to focus on improving the financial performance of its other health-related Ministry Organizations. The operating results for Trinity Continuing Care Services, which operates long-term care and senior housing facilities, Trinity Home Health Services, which provides home care services, and Care Choices/Trinity Health Plans, which provides managed care services, improved from a combined operating income of $4.3 million in fiscal year 2003 to a combined operating income of $14.2 million in fiscal year 2004.

Operating losses related to employed primary care providers working in primary care clinics owned by Trinity Health ("PCP") decreased in fiscal year 2004 due to improved physician productivity and staffing reductions. Aggregate losses attributed to PCP's decreased by 30.5% in fiscal year 2004 to $17.3 million. The average loss per provider was reduced by 28.5% to approximately $38,400 during fiscal year 2004. Overall, the size of the PCP networks declined 3.3% during fiscal year 2004 due to reductions in the number of both physicians and midlevel providers.

Changes in Unrestricted Net Assets. As noted previously, Trinity Health's unrestricted net assets increased by $552.8 million in fiscal year 2004. The major components of this increase were $140.3 million of operating income, $111.7 of non-operating investment income, net unrealized gains on investments of $167.5 million and a current year favorable decrease in the additional minimum pension liability of $104.1 million.

Balance Sheet Trends. As noted previously, Trinity Health restated its balance sheet for the fiscal year ended June 30, 2004 to conform to the presentation for the fiscal year ended June 30, 2005 regarding its securities lending program. For the purposes of the discussion herein, management has used the same procedures to restate its balance

sheet for the fiscal year ended June 30, 2003. Trinity Health's total assets increased by $555.4 million or 8.6% as of June 30, 2004 compared to June 30, 2003. The largest increase in assets was recorded in the combined categories of cash, cash equivalents and investments classified as current assets which, in total, increased by $264.4 million or 44.3%. Net property and equipment increased $189.1 million or 8.5% and Board designated funds increased $167.5 million or 11.6%. Funds held by bond trustees under various bond indenture agreements for various project expenditures decreased $101.5 million or 28.3% from the prior fiscal year. As described more completely below, the largest decrease in liabilities was recorded in accrued pension and retiree health costs, which resulted in an decrease of $63.1 million (See "Liquidity and Capital Resources – Retirement Plan Investments and Actuarial Assumptions" on page A-31 herein). In aggregate current liabilities were virtually unchanged. The increase in line of credit borrowings of $47.6 million was partially offset by a $20 million decrease in the amount of taxable commercial paper outstanding. Other changes in assets and liabilities are discussed below.

Net Patient Accounts Receivable. Patient accounts receivable increased in fiscal year 2004 by 2.9% to approximately $624.5 million, a rate lower than the 6.4% increase in net patient service revenue experienced during the fiscal year. As a result, days of net patient revenue in patient accounts receivable (net of allowance for doubtful accounts) declined from 52.5 days in fiscal year 2003 to 50.9 days in fiscal year 2004. This decrease was a result of continued improvements in Trinity Health's billing and collection procedures.

Long-Term Debt. Despite the issuance of approximately $283.5 million in revenue bonds during fiscal year 2004, total long-term debt (net of current portion) increased by only $51 million, or 2.9%, during the fiscal year. The amount of debt incurred was partially offset by the defeasance of approximately $199.6 million par amount of revenue bonds as well as by the scheduled amortization of principal.

Unrestricted Cash and Investments. Unrestricted cash and investments totaled almost $2.5 billion as of June 30, 2004, an increase of $432.6 million or 21.2% over the prior fiscal year's total. Approximately $862.0 million or 34.9% of these funds were invested in cash and cash equivalents or investments classified as current assets compared to $597.5 million or 29.3% in the prior fiscal year. Trustee-held funds pertaining to self-insurance, benefit plans and other funds decreased by 1.6% from $465.2 million as of June 30, 2003 to $457.9 million as of June 30, 2004 due largely to the payment of claims and expenses of approximately $107.9 million, offset in part by investment income of approximately $21.7 million and trust fund deposits of $67.9 million for estimated insurance costs.

Statement of Cash Flows. Operating activities generated $417.0 million of cash during the fiscal year ended June 30, 2004. Investing activities used $465.5 million for net purchases of property, plant and equipment and $254.2 million for purchases of marketable securities. Other investing activities, largely the decrease in bond trustee-held bond funds partially offset by an increase in security lending collateral, provided an additional $154.7 million in funds for investing activities. Financing activities, largely the proceeds of the issuance of long-term debt less principal amortization and an increase

in draws on lines of credit partially offset by a decrease in commercial paper, provided $82.3 million in additional funds. As a result, cash and cash equivalents decreased by $65.7 million in fiscal year 2004.

Liquidity and Capital Resources

Unrestricted Investments. Trinity Health maintains a centralized investment program that is comprised primarily of operating funds, self-insurance funds and benefit plan funds (exclusive of pension funds), as well as other Board-designated funds (all of which funds are referred to herein as "unrestricted investments"), most of which originate from the Ministry Organizations. The investments for these funds are combined into centralized investment pools that are administered by Trinity Health finance staff.

The Trinity Board approves the primary investment policy, while the Finance and Stewardship Committee of the Trinity Board approves the asset allocation within the policy guidelines. Investment procedures are approved by the Investment Subcommittee of the Finance and Stewardship Committee. The Investment Subcommittee also is responsible for ongoing oversight of the centralized investment program and approval of most other investment-related decisions, including selection of an investment consultant and investment managers. Trinity Health utilizes an external investment consultant to provide professional investment analysis and guidance and to assist in evaluating the performance of the fund managers. Professional investment management firms invest all the assets in the centralized investment program.

The following table summarizes the targeted allocation of Trinity Health's investments other than pension funds. Asset allocations are reviewed on a monthly basis and compared to such investment allocation targets. To the extent deemed desirable by management, assets may be adjusted from time to time but will be maintained within 5% of the targeted allocations depicted below. Absolute return strategy funds are designed to produce positive investment returns regardless of market activity. Such funds are actively managed and include a broad range of investments including equities, fixed income securities, commodities, currencies and derivatives.

Asset Class Allocations

Domestic Equities	33%
Long-term Fixed Income	25%
International Equities	17%
Absolute Return Strategies Funds	15%
Short-term Fixed Income	10%

Trinity Health periodically utilizes various financial instruments (primarily S&P index futures and mortgage-backed forward purchase contracts, but may include options, foreign currency futures, caps, swaps, and convertible bonds and stocks) to replicate various indexes and to hedge interest rate and other exposures in its investment portfolios. Trinity Health records its derivative financial instruments at fair market value on its consolidated balance sheet and records the changes in fair market value for these derivatives in investment income in the consolidated statement of operations and changes in net assets.

Trinity Health's ability to generate investment income and realized gains is dependent in large measure on market conditions. The market value of the Trinity Health centralized investment portfolio, as well as Trinity Health's investment income, has fluctuated significantly in the past and may continue to fluctuate in the future. Unrealized gains and losses on commingled funds structured as limited liability corporations or partnerships and absolute return strategy funds, accounted for under the equity method, are included in excess of revenue over expenses in non-operating items. Unrealized gains and losses on marketable securities are excluded from excess of revenue over expenses. Given the size of its centralized investment program, Trinity Health management anticipates that changes in levels of realized returns on its investment portfolio are likely to continue to have a significant impact on Trinity Health's excess of revenue over expenses and that unrealized gains or losses will impact its unrestricted net assets.

Retirement Plan Investments and Actuarial Assumptions. Pension and retiree medical costs and obligations are dependent on assumptions used in calculating such amounts. These assumptions include discount rates, expected return on plan assets, rate of compensation increases, health care cost trend rates and other factors. In accordance with accounting principles generally accepted in the United States of America, actual results that differ from the assumptions are accumulated and amortized over future periods and, therefore, generally affect expenses and recorded obligations in future periods. For Trinity Health's retirement plans, the amortization period generally ranges from five to twelve years. While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may impact future obligations and expenses.

Trinity Health's defined benefit pension plans have significant holdings in a broad range of investments. Retirement fund assets and obligations are valued on March 31 of each year. This valuation forms the basis of Trinity Health's retirement expense for the next fiscal year commencing on July 1. At March 31, 2005, the fair value of pension plan assets, the projected benefit obligation and the accumulated benefit obligation of the pension plans were $1.96 billion, $2.73 billion and $2.25 billion, respectively. Trinity Health's retiree medical plans are only partially funded and, as a result, investment performance has much less impact on the retiree medical plans. As of the same date, the assets of the retiree medical plans had a fair value of $35.4 million and the accumulated post-retirement medical benefit obligation was $153.8 million.

On each of the last three valuation dates, beginning with March 31, 2003, Trinity Health has changed one or more of the assumptions used in calculating the costs and obligations related to its pension and retiree medical plans. On March 31, 2003, Trinity Health changed its expected rate of return on plan assets from 9.5% to 9.0%. This change resulted in an increase in pension expense from fiscal year 2004 onward. See "MANAGEMENT'S DISCUSSION AND ANALYSIS OF RECENT FINANCIAL PERFORMANCE – Historic Performance Fiscal Years 2003-2004, Expenses" on page A-27. In addition, as of the same date Trinity Health decreased the discount rate for measuring its retirement plan liabilities from 7.5% to 6.5%, decreased its assumed rate of compensation increase for pension plans from 4.5% to 4.0% and increased its assumed health care cost trend rates for retiree medical plans. These assumption changes, combined with unfavorable investment performance during fiscal year 2003 and with

other changes to the actuarial assumptions used in determining its pension expense for fiscal year 2004, Trinity Health recognized an additional minimum pension liability of $377.0 million at March 31, 2003 which increased intangible assets by $18.1 million, reduced unrestricted net assets by $358.9 million and increased accrued pension and retiree health costs on the balance sheet.

On March 31, 2004, Trinity Health further decreased the discount rate for measuring its retirement plan liabilities from 6.5% to 6.0% while leaving the assumed rate of return on plan assets and the assumed rate of compensation increase unchanged from the prior year. The increase in pension liabilities due to the lower assumed discount rate was more than offset by favorable investment returns on retirement plan assets during fiscal year 2004. As a result, Trinity Health recognized a decrease in its additional minimum pension liability at March 31, 2004 of $106.8 million, comprised of a decrease in intangible assets of $2.7 million and an increase in unrestricted net assets of $104.1 million.

On March 31, 2005, Trinity Health determined that the 6.0% discount rate remained appropriate for measuring its retirement plan liabilities but reduced its assumed rate of return on plan assets from 9.0% to 8.75%. In addition Trinity Health incorporated a more current combined health mortality table projected to 2007 in its estimates which resulted in a liability gain of $20 million. This gain was offset by a $30 million liability loss resulting from salary increases that were greater than the assumed 4% rate of compensation increase. The reduction in assumed rate of return on plan assets results in an increase in pension expense from fiscal year 2006 onward. As a result of these changes, Trinity Health recognized a decrease in its additional minimum pension liability of $16.2 million at March 31, 2005, comprised of an increase in intangible assets of $6.3 million, and a increase in unrestricted net assets of $22.5 million.

With regard to its retiree medical plans, on March 31, 2004, Trinity Health also recognized the impact of future subsidies expected under the Medicare Prescription Drug Improvement and Modernization Act of 2003 which was signed into law in December 2003. The Act introduces a prescription drug benefit beginning in 2006 under Medicare (Medicare Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a drug benefit that is at least actuarially equivalent to Medicare Part D. Although detailed regulations necessary to implement legislated changes had not yet been issued, management believed that its drug benefits in certain plans would qualify for this subsidy. The impact of recognizing future subsidies under this Act reduced the accumulated post-retirement benefit obligation for Trinity Health's retiree medical plans by $29.4 million as of March 31, 2004. The change did not affect the 2004 net periodic benefit cost. Final regulations issued during 2005 resulted in an additional $2.6 million reduction in the accumulated post-retirement benefit obligation at March 31, 2005.

In addition, in June 2004, Trinity Health approved an amendment to one of its retiree medical plans. The amendment provides for limitations in the form of dollar caps on the amount of employer costs under the plan, and also changes future eligibility requirements for employees who do not meet certain service requirements. The amendment resulted in a reduction of $17 million in annual net periodic benefit costs

during 2005, and a further reduction of $9 million in annual net periodic benefit costs during 2006. As a result of these changes in actuarial assumptions and the changes to plan design, Trinity Health's total retirement expenses for fiscal year 2006 are expected to remain essentially unchanged.

Liquidity. As depicted in the following table, the total value of unrestricted cash and investments (excluding self-insurance and employee benefit funds) in Trinity Health's operating and Board-designated funds has increased by 49.6% over the three fiscal year ended June 30, 2005. This overall increase in liquidity occurred despite Trinity Health's aggregate capital expenditures of approximately $1.4 billion over this three-year period as well as normal increases in working capital requirements. Over this same time period, the net increase in long-term debt was approximately $275 million.

Trinity Health participates in securities lending transactions with financial institutions pursuant to which a portion of its unrestricted investments are loaned to such institutions in return for collateral in the form of cash and securities received from such institutions. Pursuant to its securities lending agreements, through its agent, Trinity Health assesses the market value of such collateral every business day. If such market value is less than the amount required, the financial institutions are required to deposit additional collateral for the account of Trinity Health. The following table does not include cash or securities provided to Trinity Health as collateral under its securities lending program.

Liquidity Position
(Dollars In Thousands)

	As of June 30,		
	2003	**2004**	**2005**
Cash and cash equivalents[1]	$323,216	$257,486	$267,107
Investment securities classified as current assets [2]	274,309	604,484	855,395
Board-designated funds [3]	1,442,560	1,610,023	1,707,775
Other long-term investments	0	645	1,618
Total cash and investments	$2,040,085	$2,472,638	$2,831,895
Days cash on hand [4]	163	186	197
Ratio of cash to debt[5]	117.3%	138.1%	155.8%

Note[1]: Includes fixed income securities with maturities less than three months.
Note[2]: Includes fixed income and equity securities, mutual funds and absolute return strategy funds.
Note[3]: Includes cash, cash equivalents, fixed income and equity securities, mutual funds and absolute return strategy funds.
Note[4]: Total cash and investments, divided by [total operating expenses (excluding those pertaining to Saint John's) minus depreciation and amortization, divided by 365].
Note[5]: Total cash and investments, divided by long-term debt (excluding current portion and unamortized debt discount).

Trinity Health uses a number of statistical benchmarks as part of its strategic financial planning including debt to capitalization, days cash on hand and the ratio of cash and investments to long-term debt. As depicted in the prior table, in fiscal year 2005 both

days cash on hand and the ratio of cash to long-term debt increased substantially. Each benchmark remains within management's planning ranges.

Capital Budget. Under the Trinity Health capital budgeting process, a five-year capital capacity analysis is updated annually. Capital capacity is derived from a combination of projected cash flows (based on operating margin targets), plus projected net new debt (new debt less amortization of existing debt), as it may be limited by certain balance sheet indicators and other considerations.

The total capital capacity derived from this analysis is then divided among three major categories: a new market pool, a local pool and a competitive pool. Up to 10% of total capital capacity is reserved for the new market pool, which is intended for strategic opportunities. The remainder is divided between the local and competitive pools based on management's assessment of needs and availability of capital. The local pool is allocated to each Ministry Organization using a percentage of the Ministry Organization's budgeted annual operating cash flow. Trinity Health monitors each Ministry Organization's actual operating cash flow over the course of the fiscal year and may adjust local pool allocations during the course of a fiscal year based on operating performance. Local pool expenditures typically are related to routine capital expenditures and small projects that do not exceed the authority delegated to each Ministry Organization (lower of 2% of net assets or $3 million).

Capital expenditures that exceed these local pool limits can be submitted by Ministry Organizations to, and prioritized by, Trinity Health's Capital Allocation Council, which consists of senior corporate executives and the chief executive officers of four Ministry Organizations. Membership of the Capital Allocation Council changes annually in order to give all Ministry Organizations an opportunity to participate in the review process. Competitive pool requests require detailed financial analysis and an executive summary explaining the need for the project, linkages to strategic plans, a mission assessment, legal and regulatory considerations and an evaluation of risks and alternatives.

In addition to its application in the capital budget allocation process, a Ministry Organization's delegated authority level is also used to monitor and limit actual capital expenditures. Projects in excess of the Ministry Organization's delegated authority level must also be submitted to Trinity Health senior management and, in certain instances, governance for review and approval prior to spending against the project's budget.

Trinity Health incurred net capital expenditures of $465.5 million in fiscal year 2004 and $434.5 million in fiscal year 2005, which include capital expenditures related to Project Genesis, Trinity Health's initiative in information technology described earlier, as well as other capital expenditures related to information technology. In fiscal year 2005 Trinity Health's aggregate capital expenditures related to various investments in information technology were approximately 15% of its overall capital expenditures. As of June 30, 2005, $177.5 million is classified as limited use assets held by trustees under bond indentures in project funds primarily for several major renovation/expansion projects that are underway at several Hospital Ministry Organizations. The amount held by bond trustees as of June 30, 2005 for such purposes is $73.6 million less than the balance as of June 30, 2004.

Trinity Health historically has funded the majority of its capital needs from a combination of cash derived from operations and the proceeds of long-term indebtedness. In its most recent five-year capital capacity analysis, Trinity Health has projected total capital needs for the Credit Group (including routine capital expenditures, major facility replacement and expansion projects and a significant investment in its information systems) of approximately $3.5 billion for the five fiscal years ending June 30, 2010. Trinity Health currently expects to finance these capital expenditures in part through the issuance of long-term indebtedness and in part through internally generated funds. Management currently anticipates that the net increase in long-term debt (new debt less regularly scheduled repayments) during this five-year period, including the Bonds and the Refunding Bonds, will be approximately $1.4 billion Trinity Health's taxable commercial paper program is used in part to provide interim financing for capital projects. Actual capital expenditures and the incurrence of indebtedness to finance those expenditures may be modified from the current capital plan and any changes will depend on a number of factors, including market conditions and the operating performance of the Credit Group as a whole, as well as that of the individual Ministry Organizations.

OTHER INFORMATION

Quality Improvement Initiatives

Since its formation Trinity Health has made quality improvement a major strategic initiative throughout the Health System. By using a variety of clinical indicators in combination with practice guidelines and training tools, Trinity Health continues to encourage each Ministry Organization to maintain a continual focus on improving the quality of patient care delivered. As noted previously, since it began Project Genesis in fiscal year 2001 Trinity Health has made capital investments totaling more than $158 million in developing and implementing an integrated information system that will further enhance these initiatives. See "OPERATIONS - Information Technology" beginning on page A-8 herein.

The efficacy of this approach is indicated by Trinity Health's receiving the National Quality Health Care Award from the National Committee for Quality Health Care ("NCQHC") in 2004. NCQHC, an independent nonprofit organization comprised of top leaders from all sectors of the quality health care industry, named Trinity Health as the recipient of its annual award recognizing providers who embody a vision for quality, embrace innovation and forward thinking, and establish methods to measure and evaluate processes to benefit the community.

Significant Agreements and Ventures

Mercy Mount Clemens. Mercy Mount Clemens Corporation ("Mount Clemens"), a Delaware not for-profit stock corporation, was incorporated pursuant to a joint venture agreement between Trinity Health-Michigan and Henry Ford Health System, a nonprofit Michigan corporation ("Henry Ford"). Mount Clemens is not a Designated Affiliate. Mount Clemens currently owns and operates two hospital facilities and certain related health care facilities located in Macomb County, Michigan. The equity structure provides for all of Mount Clemens' stock to be held by Trinity Health-Michigan and all subordinated convertible debentures to be held by Henry Ford. In the event of Mount Clemens' dissolution or bankruptcy, Henry Ford's debentures would be automatically converted to stock. Mount Clemens' financial position and results of operations are consolidated in Trinity Health's financial statements with a 50% provision for external financial interest. Although Trinity Health-Michigan is the sole stockholder of Mount Clemens, certain significant powers pertaining to the operations of Mount Clemens are shared equally between Trinity Health-Michigan and Henry Ford.

The aggregate outstanding principal amount of bonds (net of current portion) issued for the benefit of Mount Clemens is $60.5 million (the "Mount Clemens Bonds") as of June 30, 2005. The Mount Clemens Bonds are insured by a bond insurance policy. Trinity Health-Michigan guaranteed to the bond insurer repayment of any amounts paid by the bond insurer under the policy. The guaranty is secured by an obligation issued under the Master Indenture. In addition, Henry Ford issued a cross-guaranty to Trinity

Health-Michigan, under which Henry Ford agreed to reimburse Trinity Health-Michigan for one-half of any payments made on the guaranty. As of June 30, 2005, no payments had been made pursuant to the guaranty.

Mercy Health Network. Trinity Health and Catholic Health Initiatives ("CHI"), a nonprofit Colorado corporation that is the parent of a multi-state health care system headquartered in Denver, Colorado, are the sole corporate members, each with a 50% interest, of Mercy Health Network ("MHN"), a Delaware nonstock corporation. MHN was formed pursuant to a joint operating agreement (the "MHN Agreement"). The MHN Agreement provides for Trinity Health and CHI to maintain ownership of their respective Iowa assets, while providing for the Hospital Ministry Organizations operating in Iowa to collaborate with CHI's Mercy Hospital Medical Center, Des Moines, Iowa, subject to certain reserved powers of Trinity Health and CHI. Trinity Health's and CHI's membership interests in MHN are accounted for under the equity method of accounting. Neither MHN nor CHI is a Designated Affiliate.

Trinity Health and CHI equally share in additional capital contributions to MHN. Required annual capital contributions of Trinity Health are equal to the lesser of 25% of combined MHN free cash flow, as defined in the MHN Agreement, or $1.5 million. For the fiscal year ended June 30, 2005, the required capital contribution of $1.5 million was accrued in the consolidated Trinity Health balance sheet. For the fiscal year ended June 30, 2004, the required capital contribution was accrued in the consolidated Trinity Health balance sheet and subsequentially discharged during fiscal year 2005.

Physician Activities/Relationships. Trinity Health management continues to foster an array of mutually complementary relationships with physicians and other providers for the provision of certain health care services and support and promotion of medical staff quality and leadership.

Trinity Health, through its Designated Affiliates, currently employs approximately 387 full-time equivalent primary care physicians and 63 full-time equivalent mid-level providers who work in Trinity Health-owned primary care clinics throughout the Credit Group's service areas. In response to significant operating losses related to its employed physicians, Trinity Health continues to pursue improving the financial management of the employed physicians in order to maximize both the qualitative and quantitative benefit of these relationships. See "MANAGEMENT'S DISCUSSION AND ANALYSIS OF RECENT FINANCIAL PERFORMANCE" beginning on page A-23 herein.

Trinity Health management currently is assisting the Designated Affiliates in reevaluating and revising their medical staff bylaws, rules and regulations in order to assist them in building and maintaining "best practice" performance of their medical staff members. Trinity Health also is conducting a system wide program to enhance the leadership skills of experienced and new medical staff leaders.

Managed Hospitals. Trinity Health manages several hospitals in the states of Michigan, Idaho, Illinois and Nebraska and, in cooperation with CHI-Iowa, in the state of Iowa. In aggregate, these management contracts generate management fees that are not material to the Trinity Health Credit Group.

Direct Managed Care Activities

Trinity Health and its Affiliates have owned and operated managed care entities and providers for many years. Each managed care entity has offered a variety of products, including health maintenance and preferred provider organizations on a regional basis. Although penetration of health maintenance organizations has stabilized and even declined in certain regional markets, management of Trinity Health believes that effective management of care using evidence-based clinical information continues to be important in reducing costs and improving outcomes. Trinity Health continues to assess its managed care programs in this context. Trinity Health continues to develop and advance care management capabilities across the system, in preparation for any potential changes that could occur with regard to insurance markets in the future.

Trinity Health maintains an ownership interest in managed care entities, the largest of which are Mount Carmel Health Plan, Inc., Trinity Health Plans and Care Choices (collectively, the "Plans"). None of the managed care entities are Designated Affiliates. For a discussion of the financial performance of the Plans, see "MANAGEMENT'S DISCUSSION AND ANALYSIS OF RECENT FINANCIAL PERFORMANCE" beginning on A-23.

Compliance Matters

The Trinity Health Organizational Integrity Program ("OIP") identifies compliance issues through Trinity Health's internal audit and compliance function and through reports of potential noncompliance and responds to inquiries and investigations by governmental agencies of potential violations of law or regulations. Whether identified internally or as a result of a governmental inquiry, OIP investigates the matter and works with governmental agencies, payors and others (as appropriate) to resolve the issue. OIP activities are overseen by the Organizational Integrity and Audit Committee of the Trinity Board. Trinity Health management believes, based on available information, that the ultimate outcome of matters currently under investigation or that have been investigated and closed by OIP will not have a material adverse effect on the financial condition of the Credit Group.

In 2000, Trinity Health made a voluntary disclosure to the Department of Health and Human Services - Office of Inspector General ("OIG") of certain issues internally identified at one of its hospital facilities which, it believed, may have constituted violations of several federal statutes. The matter was accepted into the OIG's Voluntary Compliance Program. Trinity Health is engaged in the ongoing resolution of this matter with the OIG and other federal agencies. Trinity Health reached a settlement of all matters related to the OIG voluntary disclosure in May 2005 for $4 million.

Acquisitions, Divestitures and Other Transactions

Trinity Health has adopted strategies and procedures to review, from time to time, the merger with or acquisition of individual institutions, multi-institutional systems, product lines and other health care assets. Similarly, Trinity Health periodically examines its current Affiliates and operating assets to determine whether those Affiliates and assets are consistent with Trinity Health's current operating strategies. To provide assistance in this regard, Trinity Health created the position of Chief Development Officer. (See "Senior Management" beginning on A-11 herein.)

Mergers and Acquisitions. Management of Trinity Health anticipates that additional health care institutions may become members of the Trinity Health Credit Group. Such growth may result from the addition of individual institutions or regional multi-institutional systems that either enhance the geographic presence of Trinity Health Credit Group members in existing markets or provide an opportunity to enter a new and desirable market. Growth also may result from the addition of multi-state, multi-institutional systems similar to the health care systems formerly known as Holy Cross and Mercy. In addition, Trinity Health is in the process of adopting strategies encouraging members of the Trinity Health Credit Group to develop local integrated delivery networks with other providers and physicians in their service areas. Trinity Health also evaluates the acquisition, creation or expansion of additional service lines and other additions to the Health System.

Divestitures. Management of Trinity Health periodically examines its current Affiliates and assets of the Health System to determine whether continued operation and ownership is consistent with Trinity Health's mission and strategy. Trinity Health anticipates that, as a result of such examinations, from time to time it may consider divestiture or other transfers of Affiliates or operating assets of the Health System.

Pending Transactions. Trinity Health is presently in discussions with the Benedictine Health System ("BHS") concerning the possible transfer of its membership interest in the St. Benedict's Family Medical Center, Inc., a Designated Affiliate ("St. Benedict's"), to BHS. St. Benedict's is an acute care hospital located in Jerome, Idaho with a licensed inpatient capacity of 65 beds. For the fiscal year ended June 30, 2005, St. Benedict's had unrestricted revenue of $15.7 million and operating income of $40,000. If consummated, it is expected that this transaction will not generate any cash payment or other consideration from BHS to Trinity Health.

Completed Transactions. During the fiscal years ended June 30, 2004 and 2005, Trinity Health completed a number of transactions that were consistent with the strategic portfolio review of all of its operating assets. As noted previously, certain of these transactions impacted Trinity Health's continuing operations, while others resulted in one-time charges to unrestricted net assets and increases to unrestricted cash and investments.

In fiscal year 2004 Trinity Health sold the inpatient and outpatient renal services of Battle Creek Health System to a private operator. In addition, Trinity Continuing Care Services sold a long-term care facility to another private operator. In total these divestitures did not have a material impact on Trinity's cash position but, pursuant to tax regulations, necessitated the defeasance of tax-exempt bonds related to these facilities in the amount of approximately $2.9 million. With the exception of several relatively immaterial initiatives in local markets, no transactions were announced or completed in fiscal year 2005.

Other Activities. As described above, Trinity Health has completed a comprehensive analysis of its portfolio of operating assets and has taken certain strategic actions in order to balance its holdings. Its present intention is to update this portfolio analysis on a comprehensive basis periodically while, at the same time, monitoring its geographic markets and operations continuously. As a result of such activities, potential strategic opportunities could be identified. Among other things such opportunities could involve either the acquisition or divestiture of operating assets, the strengthening of a Member Organization's presence in its existing geographic market or Trinity Health's entry into a new geographic market. Trinity Health maintains a disciplined approach in reviewing all strategic opportunities and considers a number of variables before proceeding with any potential transaction.

Employees

As of June 30, 2005, Trinity Health had approximately 56,800 total employees, or approximately 45,000 full-time equivalent employees. Approximately 5.3% of these employees are unionized and covered by a total of 20 collective bargaining agreements which are subject to renegotiation from time to time. Trinity Continuing Care Services ("TCCS") has recently been served with a petition by the Service Employees International Union ("SEIU") which seeks to represent approximately 50 service workers at its assisted living facility in Muskegon, Michigan. To the best of management's knowledge there are no other union organizing activities underway at any other Ministry Organization. Trinity Health management regards its commitment to fostering quality relations with all of its employees as one of its primary undertakings. Management regards its relations with employees as satisfactory.

Trinity Health has taken steps to address the nursing shortage being experienced nationally in the health care field. Management carefully monitors nurse staffing at each facility and conducts ongoing evaluation of the impact of staffing levels and the mix of registered nurses on patient satisfaction. Nursing vacancy rates, turnover and contracted labor usage are also measured. As part of its nursing plan, Trinity Health has undertaken initiatives to design innovative models of care, provide nursing education to prepare inactive nurses returning to the profession, provide opportunities for completion of bachelor's and master's degrees in nursing, improve the work environment and develop effective nursing leadership. Trinity Health advocates at the state and federal level for legislation to address the shortage.

Retirement Program

The Trinity Health Retirement Program consists of two components: a defined benefit pension plan and a defined contribution 403(b) or 401(k) component (depending on the tax status of the Affiliate involved). Benefits under the defined benefit pension plan are funded solely by the employer and determined on the basis of a combination of years of service and the employee's compensation. Contributions to the defined benefit pension plan are determined annually. Because the Pension Plans have Church Plan status as defined in the Employee Retirement Income Security Act of 1974 ("ERISA"), funding in accordance with ERISA regulations is not required. It is the goal of the Plan to fund at least the actuarial "normal cost" of the Plan in a given year as well as the interest on any underfunded liability. Whatever underfunding is determined to exist, that portion is amortized and funded over a reasonable period of time. The Benefits Committee of the Trinity Board and senior management are responsible for reviewing and determining the precise funding policy to be implemented each year in accordance with this policy, guideline. See "Liquidity and Capital Resources – Retirement Plan Investments and Actuarial Assumptions" on page A-31.

The second component of the Trinity Health Retirement Program, the defined contribution component, is funded by employee voluntary contributions, subject to legal limitations, and is matched by the employer up to certain employee contribution limitations. The employees direct their voluntary contributions among a variety of investment options provided by the defined contribution service provider. The employer match is invested in the 401(k) plan for participants in that plan. For the 403(b) plan, the employer match is credited as an additional accrual amount to the defined benefit pension plan as part of the overall funding goal described above for that plan.

In addition to the pension plans, Trinity Health sponsors retiree health care benefits to employees of certain Affiliates. The plans cover certain hourly and salaried employees who are retired from or will retire from those Affiliates with such plans. Benefits provided under these plans and required retiree contributions differ by Affiliate. As of January 1, 2002, all such plans were closed to additional participants. At present there are approximately 5,000 fully eligible employees and retirees, spouses and dependents of retirees covered under such retiree medical benefit plans. In addition, there are approximately 3,485 employees who could become eligible for retiree medical benefits if they remain employed by Trinity Health until age 58, a decrease of 12.2% from the number of eligible employees in fiscal year 2004 due to changes in plan design and participation requirements.

Insurance

Trinity Health and its Affiliates are self-insured for all of their general liability, property damage liability and certain other liability claims through self-insurance risk financing vehicles. Trinity Health has limited liability above the self-insured retention described below through the purchase of reinsurance and umbrella coverage from several commercial insurance carriers.

As of July 1, 2005, the program of self-insurance covers $15 million per occurrence for professional liability, general liability, auto liability and managed care liability, with commercial insurance providing excess coverage up to $115 million. In prior fiscal years, the amount of such self insurance was lower as was its commercial umbrella. Trinity Health retains $500,000 in property damage liability with commercial insurance providing coverage up to $1.0 billion.

Trinity Health is covered under various policies for worker's compensation, fiduciary liability, directors' and officers' liability, pollution liability, non-health care errors and omissions, aviation (non-owned) liability, and crime are part of the self-insurance program and commercial insurance carriers.

Covered losses in excess of expectations may decrease self-insurance reserves and result in increased premiums in subsequent years. The self-insurance liability for losses and loss adjustment expenses of $445.8 million included on the Trinity Health consolidated balance sheet for fiscal year 2005 represents estimates of the ultimate losses and loss adjustment expenses that are incurred but unpaid at June 30, 2005. The self-insurance ultimate loss reserves are based upon estimates by independent consulting actuaries using actual loss and loss adjustment expenses, trends in claims severity and frequency, as well as available industry-wide data. Although considerable variability is inherent in such estimates, management of Trinity Health believes that the reserves for unpaid claims and related expenses are adequate, based on prior loss experience. The estimates are continually reviewed and, as management makes adjustments, are reflected in current operations in other expenses in the consolidated statement of operations and changes in net assets.

The cost of the program of self-insurance (which includes the self-insured trusts, self-insurance retention, deductibles and coverage under the captive insurance subsidiary, Venzke Insurance Company, Ltd. ("Venzke") and of commercial insurance), is allocated among Trinity Health and its Affiliates on the basis of the historical loss results and the related exposures of each Ministry Organization. Actuarial studies are performed annually to monitor the adequacy of the financing vehicles of Trinity Health's self-insured program. Losses in excess of the program's limits, if any, would be a general liability of Trinity Health. Management believes that losses in excess of available insurance and self-insurance should not materially affect the consolidated financial position, operations or cash flows of Trinity Health.

Malpractice Litigation Affecting Trinity Health

A number of civil actions are pending or threatened against the Trinity Health Affiliates and Designated Affiliates alleging medical malpractice. In the opinion of management of Trinity Health, based upon the advice of legal counsel and Trinity Health's risk management personnel, the probable recoveries in these proceedings and the estimated costs and expenses of defense will be entirely within the applicable insurance limits described above or will not materially adversely affect the business or properties of the Credit Group.

Trinity Health management also advises that there are certain potential claims of which they are aware alleging medical malpractice that might be brought against members of the Credit Group but that, in the opinion of management, such potential claims are within the applicable limits of available liability insurance and the self-insurance plan or would not materially and adversely affect the financial condition or results of operations of the Credit Group.

Accreditations and Memberships

Each of the Trinity Health Affiliates' and Designated Affiliates' health care facilities is accredited by the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO") or the American Osteopathic Association, unless such accreditation is deemed unnecessary by Trinity Health. Certain of Trinity Health's home health service agencies are accredited by the Community Health Accreditation Program ("CHAP"). CHAP accreditation was developed specifically for homecare, hospice and private duty agencies and has reciprocity with JCAHO.

Each of the Trinity Health Affiliates' and Designated Affiliates' health care facilities is licensed by the appropriate state and/or regional governmental agencies. All of the hospital facilities are certified for participation in the Medicare and Medicaid programs, and the home health agencies, the hospice programs and the skilled nursing and long-term care facilities are certified for participation in the Medicare and Medicaid programs in situations where management has elected such participation.

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APPENDIX B

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
TRINITY HEALTH CORPORATION

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TRINITY HEALTH

Consolidated Financial Statements for the Years Ended June 30, 2005 and 2004 and Independent Auditors' Report

TRINITY HEALTH

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Deloitte & Touche LLP
Suite 900
600 Renaissance Center
Detroit, MI 48243-1895
USA

Tel: + 313 396 3000
Fax: + 313 396 3618
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Trinity Health
Novi, Michigan

We have audited the accompanying consolidated balance sheets of Trinity Health and subsidiaries (the "Corporation") as of June 30, 2005 and 2004, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Corporation'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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 Corporation'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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2005 and 2004, and the results of their operations and changes in net assets, and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

September 9, 2005

TRINITY HEALTH

CONSOLIDATED BALANCE SHEETS
JUNE 30, 2005 AND 2004
(In Thousands)

ASSETS	2005	As Restated (Note 2) 2004
CURRENT ASSETS:		
Cash and cash equivalents	$ 267,107	$ 257,486
Investments	855,395	604,484
Security lending collateral	283,212	249,911
Assets limited as to use:		
Held by trustees under bond indenture agreements	2,257	8,315
Patient accounts receivable net of allowance for doubtful accounts of $158.8 million and $153.3 million in 2005 and 2004, respectively	632,313	624,451
Other receivables	65,550	67,592
Inventories	85,171	83,928
Prepaid expenses and other current assets	59,739	56,036
Total current assets	2,250,744	1,952,203
ASSETS LIMITED OR RESTRICTED AS TO USE:		
Held by trustees under bond indenture agreements	175,292	248,915
Self-insurance, benefit plans and other	456,326	457,939
By Board	1,707,775	1,610,023
By donors	137,177	126,571
Total assets limited or restricted as to use	2,476,570	2,443,448
PROPERTY AND EQUIPMENT, NET	2,580,955	2,424,377
INVESTMENTS IN UNCONSOLIDATED AFFILIATES	72,320	69,056
EXCESS OF COST OVER NET ASSETS ACQUIRED	26,925	30,890
OTHER ASSETS	95,089	98,031
TOTAL ASSETS	$ 7,502,603	$ 7,018,005

The accompanying notes are an integral part of the consolidated financial statements.

LIABILITIES AND NET ASSETS	2005	As Restated (Note 2) 2004
CURRENT LIABILITIES:		
Line of credit	$ 50,347	$ 49,850
Commercial paper	20,000	-
Current portion of long-term debt	47,855	45,760
Accounts payable and accrued expenses	311,521	318,581
Salary, wages and related liabilities	264,913	252,165
Payable under security lending agreements	283,212	249,911
Estimated payables to third-party payors, net	142,860	144,184
Total current liabilities	1,120,708	1,060,451
LONG-TERM DEBT, NET OF CURRENT PORTION	1,817,822	1,790,013
SELF-INSURANCE RESERVES	445,772	430,607
ACCRUED PENSION AND RETIREE HEALTH COSTS	383,407	416,206
OTHER LONG-TERM LIABILITIES	126,490	73,199
Total liabilities	3,894,199	3,770,476
EXTERNAL FINANCIAL INTEREST	105,859	96,374
NET ASSETS:		
Unrestricted	3,370,252	3,029,230
Temporarily restricted	108,121	97,724
Permanently restricted	24,172	24,201
Total net assets	3,502,545	3,151,155
TOTAL LIABILITIES AND NET ASSETS	$ 7,502,603	$ 7,018,005

TRINITY HEALTH

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2005 AND 2004
(In Thousands)

	2005	2004
UNRESTRICTED REVENUE:		
Net patient service revenue	$ 4,832,280	$ 4,489,470
Capitation and premium revenue	461,149	410,591
Net assets released from restrictions	13,960	15,924
Other revenue	407,286	370,502
Total unrestricted revenue	5,714,675	5,286,487
EXPENSES:		
Salaries and wages	2,219,242	2,096,423
Employee benefits	569,787	565,078
Contract labor	60,928	53,937
Total labor expenses	2,849,957	2,715,438
Supplies	954,696	885,976
Purchased services	433,507	402,989
Medical claims and capitation purchased services	268,338	222,436
Depreciation and amortization	293,569	273,442
Occupancy	246,569	234,117
Provision for bad debts	218,004	186,361
Interest	78,999	60,977
Other	189,417	164,475
Total expenses	5,533,056	5,146,211
OPERATING INCOME	181,619	140,276
NONOPERATING ITEMS:		
Investment income - marketable securities	140,538	111,708
Equity earnings, other investments, primarily unrealized gains	23,424	-
Loss from extinguishment of debt	(8,233)	(10,545)
External financial interest	(7,886)	(1,272)
Total nonoperating items	147,843	99,891
EXCESS OF REVENUE OVER EXPENSES	329,462	240,167

The accompanying notes are an integral part of the consolidated financial statements.

	2005	2004
UNRESTRICTED NET ASSETS:		
Excess of revenue over expenses	329,462	240,167
Change in net unrealized gains on marketable securities	(29,236)	167,479
Change in market value of interest rate swaps	(14,518)	13,063
Net assets released from restrictions for capital acquisitions	31,899	32,796
Change in additional minimum pension liability	22,519	104,056
Other	896	(4,793)
Increase in unrestricted net assets	341,022	552,768
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	54,848	48,267
Investment income	3,464	2,340
Change in net unrealized gains on investments	(1,911)	4,530
Net assets released from restrictions	(45,859)	(48,720)
Other	(145)	(531)
Increase in temporarily restricted net assets	10,397	5,886
PERMANENTLY RESTRICTED NET ASSETS:		
Contributions for endowment funds	124	602
Investment income	470	407
Change in net unrealized gains on investments	(242)	1,380
Other	(381)	(2)
(Decrease) increase in permanently restricted net assets	(29)	2,387
INCREASE IN NET ASSETS	351,390	561,041
NET ASSETS, BEGINNING OF YEAR	3,151,155	2,590,114
NET ASSETS, END OF YEAR	$ 3,502,545	$ 3,151,155

TRINITY HEALTH

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2005 AND 2004
(In Thousands)

	2005	As Restated (Note 2) 2004
OPERATING ACTIVITIES:		
Increase in net assets	$ 351,390	$ 561,041
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Loss from extinguishment of debt	8,233	10,545
Change in net unrealized losses (gains) on investments	7,985	(173,389)
Net realized gains on investments and impairment losses	(145,023)	(109,097)
Change in market values of interest rate swaps	26,826	(18,834)
Restricted contributions and investment income received	(33,240)	(20,079)
Depreciation and amortization	293,569	273,442
Equity earnings in unconsolidated affiliates	(15,997)	(13,565)
External financial interest in consolidated subsidiaries	9,485	14,713
Change in additional minimum pension liability	(22,519)	(104,056)
Other adjustments	2,350	208
Changes in:		
Patient accounts receivable, net	(7,862)	(17,880)
Other assets	(1,575)	(14,745)
Accounts payable and accrued expenses	11,751	(755)
Estimated payables to third-party payors, net	(1,324)	(20,336)
Self-insurance reserves	15,165	(530)
Accrued pension and retiree health costs	(16,550)	43,752
Other liabilities	6,121	6,562
Total adjustments	137,395	(144,044)
Net cash provided by operating activities	488,785	416,997

The accompanying notes are an integral part of the consolidated financial statements.

	2005	As Restated (Note 2) 2004
INVESTING ACTIVITIES:		
Decrease in assets limited as to use	78,088	142,628
Purchases of property and equipment, net	(434,549)	(465,472)
Decrease in investment in affiliates	11,234	11,238
Purchase of investments, net	(206,534)	(254,216)
Increase in security lending collateral	(33,301)	(8,417)
Disposition of member organizations	-	9,205
Net cash used in investing activities	(585,062)	(565,034)
FINANCING ACTIVITIES:		
Proceeds from restricted contributions and restricted investment income	33,240	20,079
Proceeds from issuance of long-term debt	184,220	291,246
Repayments of long-term debt	(155,292)	(243,866)
Proceeds from (repayments of) commercial paper	20,000	(20,000)
Increase in line of credit, net	497	47,550
Increase in payable under security lending agreements	33,301	8,417
Increase in financing costs and other	(10,068)	(21,119)
Net cash provided by financing activities	105,898	82,307
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,621	(65,730)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	257,486	323,216
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 267,107	$ 257,486
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest (net of amounts capitalized)	$ 75,084	$ 71,423

1. ORGANIZATION AND MISSION

Trinity Health, an Indiana not-for-profit corporation, and its subsidiaries are collectively referred to as the Corporation. The Corporation is sponsored by Catholic Health Ministries ("CHM"), a Public Juridic Person of the Holy Roman Catholic Church. The Corporation operates a comprehensive integrated network of health services including inpatient and outpatient services, physician services, managed care coverage, home health care, long-term care, assisted living care and rehabilitation services located in seven states.

The mission statement for Trinity Health is as follows:

We serve together in Trinity Health
In the spirit of the Gospel
To heal body, mind and spirit
To improve the health of our communities
And to steward the resources entrusted to us.

Community Benefit Ministry

Consistent with its mission, the Corporation provides medical care to all patients regardless of their ability to pay. In addition, the Corporation provides services intended to benefit the poor and underserved, including those persons who cannot afford health insurance because of inadequate resources and/or are uninsured or underinsured, and to enhance the health status of the communities in which it operates.

The following summary has been prepared in accordance with the Catholic Health Association of the United States' ("CHA") policy documents, ***Community Benefit Program: A Revised Resource for Social Accountability and Community Benefit Reporting: Guidelines and Standard Definitions for the Community Benefit Inventory for Social Accountability, released in November 2004***. The Corporation has expanded its reporting by including more detailed classifications of program spending which is consistent with the newly released guidelines. In addition, the Corporation has refined its underlying calculation of cost to charge ratio resulting in adjustments to Charity Care, the Unpaid Cost of Medicaid and the Unpaid Cost of Medicare reported for the year ended June 30, 2004.

The following amounts reflect the quantifiable costs of the Corporation's community benefit ministry for the years ended June 30:

	2005	2004
	(In Thousands)	
Ministry for the poor and the underserved:		
Charity care at cost	$ 71,306	$ 55,843
Unpaid cost of Medicaid and other public programs	91,675	84,742
Programs for the poor and the underserved:		
Community health services	10,796	8,661
Subsidized health services	20,441	17,542
Financial contributions	5,301	2,705
Community building activities	2,220	1,469
Community benefit operations	208	160
Total programs for the poor and the underserved	38,966	30,537
Ministry for the poor and the underserved	201,947	171,122
Ministry for the broader community:		
Community health services	14,372	13,142
Health professions education	30,546	28,984
Subsidized health services	10,506	9,047
Research	1,005	894
Financial contributions	3,395	2,587
Community building activities	2,573	1,553
Community benefit operations	491	330
Ministry for the broader community	62,888	56,537
Community benefit ministry	264,835	227,659
Unpaid cost of Medicare	136,169	157,088
Community benefit ministry including Medicare	$ 401,004	$ 384,747

Ministry for the poor and the underserved represents the financial commitment to seek out and serve those who need help the most, especially the poor, the uninsured and the indigent. This is done with the conviction that healthcare is a basic human right.

Ministry for the broader community represents the cost of services provided for the general benefit of the communities in which the Corporation operates. Many programs are targeted toward populations that may be poor, but also include those areas that may need special health services and support. These programs are not intended to be financially self-supporting.

Charity care at cost represents the cost of services provided to patients who cannot afford health care services due to inadequate resources and/or are uninsured or underinsured. A patient is classified as a charity patient in accordance with the Corporation's established policies and where no payment for such services is anticipated. Services provided to these patients are not reported as revenue in the consolidated statements of operations and changes in net assets. The cost of charity care is calculated using a cost to charge ratio methodology.

Unpaid cost of Medicaid and other public programs represents the cost (determined using a cost to charge ratio) of providing services to beneficiaries of public programs, including state Medicaid and indigent care programs, in excess of governmental and managed care contract payments.

Community health services are activities and services for which no patient bill exists. These services are not expected to be financially self-supporting, although some may be supported by outside grants or funding. Amounts reported are net of any outside funding. Some examples include community health education, free or low cost prescription medications, and rural and urban outreach programs. The Corporation actively collaborates with community groups and agencies to assist those in need in providing such services.

Health professions education includes the unreimbursed cost of training health professionals such as medical residents, nursing students, technicians and students in allied health professions.

Subsidized health services are net costs for billed services that are subsidized by the Corporation. These include services offered despite a financial loss because they are needed in the community and either other providers are unwilling to provide the services or the services would otherwise not be available in sufficient amount. Examples of services include free-standing community clinics, hospice care, mobile units, and behavioral health services.

Research includes unreimbursed clinical and community health research and studies on health care delivery.

Financial contributions are made by the Corporation on behalf of the poor and underserved to community agencies. These amounts include special system-wide funds used for charitable activities as well as resources contributed directly to programs, organizations, and foundations for efforts on behalf of the poor and the underserved. Amounts included here also represent certain in-kind donations.

Community building activities include the costs of programs that improve the physical environment, promote economic development, enhance other community support systems, develop leadership skills training, and build community coalitions.

Community benefit operations include costs associated with dedicated staff, community health needs and/or assets assessments, and other costs associated with community benefit strategy and operations.

Unpaid cost of Medicare represents the cost (determined using a cost to charge ratio) of providing services to primarily elderly beneficiaries of the Medicare program, in excess of governmental and managed care contract payments.

The Corporation also provides a significant amount of uncompensated care to its uninsured and underinsured patients, which is reported as provision for bad debts, and not included in the amounts reported above. During the years ended June 30, 2005 and 2004, the Corporation reported provision for bad debts of $218.0 million and $186.4 million, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The consolidated financial statements include the accounts of the Corporation, and all wholly owned, majority-owned and controlled organizations. Investments where less than 20% of the ownership interest is held by the Corporation are accounted for using the cost method. All other investments, which are not controlled by the Corporation, are accounted for using the equity method of accounting. The Corporation has included its equity share of income or losses from investments in unconsolidated affiliates in other revenue in the consolidated statements of operations and changes in net assets. All material intercompany transactions and account balances have been eliminated in consolidation.

Securities Lending and Restatement– The Corporation participates in securities lending transactions whereby a portion of its investments are loaned, through its agent, to various parties in return for cash and securities from the parties as collateral for the securities loaned. Each business day Trinity Health, through its agent, and the borrower determines the market value of the collateral and the borrowed securities. If on any business day the market value of the collateral is less than the required value, Trinity Health obtains additional collateral as appropriate. The amount of cash collateral received under securities lending is reported as an asset and a corresponding payable on the consolidated balance sheets. The market value of investments loaned under securities lending agreements at June 30, 2005 and 2004, was $292 million and $303 million, respectively, which are included in investments or assets limited as to use on the consolidated balance sheets. The fees received for these transactions are recorded as investment income - marketable securities.

Subsequent to the issuance of the Corporation's 2004 financial statements, management determined that the assets and obligations resulting from its securities lending activities should be presented as separate line items within current assets and current liabilities on the consolidated balance sheet. The accompanying June 30, 2004 financial statements have been restated to present the assets and liabilities of $249.9 million resulting from securities lending activities on the balance sheet and the related cash flows as investing and financing activities. The restatement had no impact on previously reported excess of revenue over expenses or net assets of the Corporation.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management of the Corporation to make assumptions, estimates and judgments that affect the amounts reported in the financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. The Corporation considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its financial statements, including the following: recognition of net patient service revenue, which includes contractual allowances; provisions for bad debts; reserves for losses and expenses related to health care professional and general liability; and risks and assumptions for measurement of pension and retiree medical liabilities. Management relies on historical experience and other assumptions believed to be reasonable in making its judgment and estimates. Actual results could differ materially from those estimates.

Cash and Cash Equivalents - For purposes of the consolidated statements of cash flows, cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less.

Investments and Investment Earnings – Investments, inclusive of assets limited or restricted as to use, include marketable debt and equity securities. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Investments also include investments in commingled funds structured as limited liability corporations or partnerships and absolute return strategy funds. These investments are accounted for under the equity method, which approximates fair value.

Investment earnings (including equity earnings, realized gains and losses on investments, interest and dividends, and declines in fair value determined to be other than temporary) are included in excess of revenue over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on commingled funds structured as limited liability corporations or partnerships and absolute return strategy funds are included in nonoperating items. Unrealized gains and losses on marketable securities are excluded from excess of revenue over expenses.

Investment earnings earned on assets held by trustees under bond indenture agreements, assets designated by the Board for self insurance programs, debt redemption and assets held for borrowings under the intercompany loan program, assets held by foundations, assets deposited in trust funds for self-insurance purposes, and funds held by insurance subsidiaries in accordance with industry practices are included in unrestricted revenue in the consolidated statement of operations and changes in net assets. Investment earnings from all other unrestricted investments and Board designated funds are included in nonoperating investment income.

Derivative Financial Instruments - The Corporation periodically utilizes various financial instruments (e.g., options, foreign currency futures, caps, swaps, and convertible bonds and stocks) to hedge interest rate and other exposures. In addition, the Corporation uses index futures in conjunction with a portfolio of fixed income securities to replicate the S&P 500 index on an unleveraged basis. The index futures are marked-to-market and are net-settled daily with any related realized gains or losses reported in investment income in the consolidated statements of operations and changes in net assets. The Corporation's policies prohibit trading in derivative financial instruments on a speculative basis.

Assets Limited as to Use - Assets set aside by the Board for future capital improvements, future funding of retirement programs, retirement of debt, held for borrowings under the intercompany loan program, and other purposes over which the Board retains control and may at its discretion subsequently use for other purposes, assets held by trustees under bond indenture and certain other agreements, and self-insurance trust and benefit plan arrangements are included in assets limited as to use.

Donor-Restricted Gifts - Unconditional promises to give cash and other assets to the Corporation's various ministry organizations are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the statements of operations and changes in net assets.

Property and Equipment - Property and equipment are recorded at cost, if purchased, or at fair value at the date of donation, if donated. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using either the straight-line or an accelerated method and includes capital lease amortization. Interest costs incurred during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from the excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Asset Impairment - The Corporation periodically evaluates the carrying value of its long-lived assets for impairment. These evaluations are primarily based on the estimated recoverability of the assets' carrying value. The evaluation of excess of costs over net assets acquired is based principally on the projected undiscounted cash flows generated by the underlying tangible assets.

Inventories – Inventories are stated at the lower of cost or market. The cost of inventories is determined principally by the first-in first-out method.

Excess of Costs over Net Assets Acquired - Excess of costs over net assets acquired are capitalized and amortized using the straight-line method over their estimated useful lives, which range from 5 to 20 years. Amortization of excess of costs over net assets acquired for the years ended June 30, 2005 and 2004 of $4.2 million and $4.7 million, respectively, was included in depreciation and amortization expense in the consolidated statements of operations and changes in net assets.

Temporarily and Permanently Restricted Net Assets - Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity.

Patient Accounts Receivable, Estimated Payables to Third-Party Payors and Net Patient Service Revenue - The Corporation has agreements with third-party payors that provide for payments to the Corporation's ministry organizations at amounts different from established rates. Patient accounts receivable and net patient service revenue are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Estimated retroactive adjustments under reimbursement agreements with third-party payors are included in net patient service revenue and estimated payables to third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Allowance for Doubtful Accounts - Substantially all of the Corporation's receivables are related to providing healthcare services to patients. Accounts receivable are reduced by an allowance for amounts that could become uncollectible in the future. The Corporation's estimate for its allowance for doubtful accounts is based upon management's assessment of historical and expected net collections by payor.

Premium and Capitation Revenue - The Corporation has certain ministry organizations that arrange for the delivery of health care services to enrollees through various contracts with providers and common provider entities. Enrollee contracts are negotiated on a yearly basis. Premiums are due monthly and are recognized as revenue during the period in which the Corporation is obligated to provide services to enrollees. Premiums received prior to the period of coverage are recorded as deferred revenue and included in accounts payable and accrued expenses in the consolidated balance sheet.

Certain of the Corporation's ministry organizations have entered into capitation arrangements whereby they accept the risk for the provision of certain health care services to health plan members. Under these agreements, the Corporation's ministry organizations are financially responsible for services provided to the health plan members by other institutional health care providers. Capitation revenue is recognized during the period for which the ministry organization is obligated to provide services to health plan enrollees under capitation contracts. Capitation receivables are included in other receivables in the consolidated balance sheet.

Reserves for incurred but not reported claims have been established to cover the unpaid costs of health care services covered under the premium and capitation arrangements. The premium and capitation arrangement reserves are classified with accounts payable and accrued expenses in the consolidated balance sheet. The liability is estimated based on actuarial studies, historical reporting, and payment trends. Subsequent actual claim experience will differ from the estimated liability due to variances in estimated and actual utilization of health care services, the amount of charges, and other factors. As settlements are made and estimates are revised, the differences are reflected in current operations. The Corporation limits a portion of its liability through stop-loss reinsurance.

Income Taxes - The Corporation and substantially all of its subsidiaries have been recognized as tax-exempt pursuant to Section 501(a) of the Internal Revenue Code. The Corporation also has taxable subsidiaries, which are included in the consolidated financial statements. Certain of the taxable subsidiaries have entered into tax sharing agreements and file consolidated federal income tax returns with other corporate taxable subsidiaries.

Excess of Revenue Over Expenses – The consolidated statement of operations and changes in net assets includes excess of revenue over expenses. Changes in unrestricted net assets which are excluded from excess of revenue over expenses, consistent with industry practice, include unrealized gains and losses on marketable securities, the effective portion of the change in market value of derivatives that meet hedge accounting requirements, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets received or gifted (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), discontinued operations, extraordinary items and cumulative effects of changes in accounting principles.

Adoption of Accounting Pronouncements – In March 2004, the Financial Accounting Standards Board ("FASB") ratified Emerging Issues Task Force (EITF) issue No.03-16, "Accounting for Investments in Limited Liability Companies (LLC)." This issue clarifies that an investment in an LLC should be viewed as similar to a limited partnership for purposes of determining whether noncontrolling investments in an LLC should be accounted for using the cost method or the equity method of accounting. The Corporation adopted the provisions of EITF 03-16 in 2005. The Corporation did not hold any investments in LLC's at June 30, 2004, therefore, there was no cumulative effect upon adoption of this pronouncement in the fiscal 2005 financial statements.

In March 2005, the FASB issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations – an interpretation of FASB Statement No. 143" (FIN 47). This Interpretation clarifies that an entity is required to recognize a liability and capitalized costs for the fair value of a conditional asset retirement obligation when incurred if the fair value of the liability can be reasonably estimated or when the entity has sufficient information to reasonably estimate the fair value of the asset retirement obligation. The Corporation will adopt the provisions of FIN 47 in 2006. Trinity Health is currently assessing the impact that the application of FIN 47 will have on the consolidated financial statements.

Reclassification - Certain amounts for 2004 have been reclassified to conform to classification adopted in 2005. On the consolidated statement of operations and changes in net assets, $21 million primarily for assisted living and independent living facilities was reclassified from net patient revenue to other revenue. This reclassification had no impact on previously reported excess of revenue over expenses, net assets or cash flows of the Corporation.

3. JOINT VENTURES, INVESTMENTS IN UNCONSOLIDATED AFFILIATES, BUSINESS ACQUISITIONS AND DIVESTITURES

Joint Ventures – The Corporation is involved in several joint ventures whose operations have been consolidated in the Corporation's financial statements.

Mercy Health Network ("MHN") – MHN is a venture between the Corporation and Catholic Health Initiatives ("CHI") to bring together their respective healthcare services in Iowa on a partially integrated basis. The original agreement took effect July 1, 1998 and has been modified several times since that date. The agreement provides for the Corporation and CHI to maintain ownership and operation of their respective Iowa assets, while working collaboratively within MHN to periodically evaluate healthcare services and implement leading practices across MHN hospitals. Both the

Corporation and CHI hold a 50% membership interest in MHN, a Delaware not-for-profit Corporation that is accounted for under the equity method of accounting.

Under the terms of the amended agreement, the Corporation and CHI equally share in additional capital contributions to MHN. Required annual capital contributions of the Corporation are equal to the lesser of 25% of combined MHN free cash flow, as defined, or $1.5 million payable within 120 days after MHN's June 30 year end. For the year ended June 30, 2005, the required capital contribution of $1.5 million was accrued in the consolidated balance sheet. In 2004, the required capital contribution of $1.5 million was accrued in the consolidated balance sheet and subsequently the liability was discharged in 2005. Capital contributions may be returned to the Corporation and CHI once MHN determines capital contributions in excess of those required have been made. Trinity Health – Iowa reported excess of revenue over expenses of $30.1million and $19.8 million for the years ended June 30, 2005 and 2004, respectively, that is consolidated in these financial statements. As of June 30, 2005 and 2004, consolidated net assets include $344.5 million and $319.5 million, respectively, for Trinity Health – Iowa.

Mercy Mount Clemens Corporation - On May 15, 1990, the Corporation entered into a joint venture with Henry Ford Health System ("HFHS") that included the acquisition and inclusion in the joint venture of Mercy Mount Clemens Corporation ("Mt. Clemens"), a subsidiary of the Corporation. The Corporation is the sole stockholder of Mt. Clemens. HFHS retains a $100 debenture, which is convertible into 50% of the stock of Mt. Clemens under certain conditions outlined in the agreement. The Corporation and HFHS have specific reserve responsibilities. The operations of Mt. Clemens are included in the consolidated financial statements with a 50% provision for external financial interest. Before the provision for external financial interest, Mt. Clemens reported excess/(deficiency) of revenue over expenses of $3.8 million and $(6.4) million for the years ended 2005 and 2004, respectively, that is consolidated in these financial statements. As of June 30, 2005 and 2004, consolidated net assets include $81.2 million and $77.7 million for Mt. Clemens prior to the provision of external financial interest.

The 1990 joint venture agreement allowed for cash distributions. That agreement was supplanted by the 1995 joint venture agreement that remains in effect. The 1995 agreement references distributions in accordance with the governing documents. The governing documents do not specifically address calculation of distributions. During 2002, the Corporation and HFHS agreed that payments would be deferred while Mt. Clemens is in a building and expansion phase. As of June 30, 2005, Mt. Clemens has $9.0 million recorded as a liability equally payable to the Corporation and HFHS. The liability to the Corporation of $4.5 million has been eliminated in these consolidated financial statements.

Battle Creek Health System - On July 1, 1991, Battle Creek Health System ("BCHS") was formed through a joint venture agreement between the Corporation and Community Hospital Association of Battle Creek, Michigan. The Corporation owns 50% of the stock of BCHS. BCHS is effectively controlled by the Corporation, and accordingly, the financial statements of BCHS are included in the consolidated financial statements of the Corporation with a 50% provision for external financial interest. Before the provision for external financial interest, BCHS reported excess of revenue over expenses of $11.7 million and $7.8 million for the years ended June 30, 2005 and 2004, respectively, that is consolidated in these financial statements. As of June 30, 2005 and 2004, consolidated net assets include $115.2 million and $103.2 million, respectively, for BCHS prior to the provision for external financial interest.

Mercy Health Services North - Effective July 1, 1998, the Corporation and Munson Healthcare ("MHC") entered into an agreement to create an alignment in Northern Michigan. Under the agreement, MHC provides management and other services to Mercy Health Services North ("MHSN"), an operating division of the Corporation with acute care hospitals in Cadillac and Grayling, Michigan. MHSN reported excess of revenue over expenses of $3.8 million and $3.5

million for the years ended June 30, 2005 and 2004, respectively, that is consolidated in these financial statements. As of June 30, 2005 and 2004, consolidated net assets include $40.5 million and $33.8 million, respectively, for MHSN.

The terms of the agreement include financial risk sharing based upon operating performance. For fiscal years 2005 and 2004, risk sharing expenses of $10,000 and $576,000, respectively, are included in other expenses in the consolidated statement of operations and changes in net assets. In future years, MHC will share in 50% of the difference between MHSN operating income and targeted operating income on an annual basis not to exceed $750,000.

Investments in unconsolidated affiliates – The Corporation and certain of its ministry organizations have investments in entities that are recorded under the cost and equity methods of accounting. At June 30, 2005, the Corporation maintained investments in unconsolidated affiliates with ownership interests ranging from 1.7% to 50%. The Corporation's share of equity earnings from entities accounted for under the equity method was $16 million and $14 million for the years ended June 30, 2005 and 2004, respectively, which is included in other revenue in the consolidated statements of operations and changes in net assets. The summarized financial position and results of operations for the entities accounted for under the equity method as of and for the periods ended June 30 are as follows:

2005
(In Thousands)

	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Hospital Organizations	Other Investees	Total
Total assets	$ 84,496	$ 135,431	$ 15,034	$ 18,752	$ 94,095	$ 347,808
Liabilities	51,865	65,862	11,743	53,839	41,272	224,581
Net assets	32,631	69,569	3,291	(35,087)	52,823	123,227
Revenue, net	31,934	186,643	24,930	39,078	96,401	378,986
Excess (deficiency) of revenue over expenses	2,467	36,662	5,921	(4,028)	2,616	43,638

2004
(In Thousands)

	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Hospital Organizations	Other Investees	Total
Total assets	$ 86,386	$ 131,527	$ 15,519	$ 18,068	$ 96,674	$ 348,174
Liabilities	53,298	65,472	12,120	47,948	44,167	223,005
Net assets	33,088	66,055	3,399	(29,880)	52,507	125,169
Revenue, net	31,633	182,379	22,919	39,906	96,880	373,717
Excess (deficiency) of revenue over expenses	2,232	32,844	5,090	(3,128)	1,286	38,324

4. NET PATIENT SERVICE REVENUE

A summary of the payment arrangements with major third-party payors follows:

Medicare - Acute inpatient and outpatient services rendered to Medicare program beneficiaries are paid primarily at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Certain nonacute inpatient and outpatient services are paid based on cost reimbursement methodologies with certain limitations. Cost reimbursable items are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediaries.

Medicaid - Reimbursement for services rendered to Medicaid program beneficiaries includes prospectively determined rates per discharge, per diem payments, discounts from established charges, fee schedules, and cost reimbursement methodologies with certain limitations. Cost reimbursable items are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicaid fiscal intermediaries.

Other - Reimbursement for services to certain patients is received from commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement includes prospectively determined rates per discharge, per diem payments, and discounts from established charges.

During 2005 and 2004, 38% and 37%, respectively, of net patient service revenue was received under the Medicare program, 8% in both years under state Medicaid and indigent care programs, and 54% and 55%, respectively, from contracts with health maintenance organizations, preferred provider organizations, insurance company arrangements and patients.

A summary of net patient service revenue for the years ended June 30 is as follows:

	2005	2004
	(In Thousands)	
Gross charges:		
Acute inpatient	$ 5,842,139	$ 5,411,158
Outpatient, nonacute inpatient, and other	5,030,164	4,493,614
Gross patient revenue	10,872,303	9,904,772
Less:		
Contractual and other allowances	(5,742,356)	(5,175,539)
Charity care charges	(187,854)	(142,261)
Allowance for self-insured health benefits	(109,813)	(97,502)
Net patient service revenue	$ 4,832,280	$ 4,489,470

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

5. PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30 is as follows:

	2005	2004
	(In Thousands)	
Land	$ 167,789	$ 158,860
Buildings and improvements	2,897,514	2,591,657
Equipment, including capital lease obligations	2,143,728	1,940,540
Total	5,209,031	4,691,057
Less accumulated depreciation and amortization	(2,901,835)	(2,670,577)
Construction in progress	273,759	403,897
Property and equipment, net	$ 2,580,955	$ 2,424,377

At June 30, 2005, commitments to purchase property and equipment of approximately $300 million were outstanding. Significant commitments are primarily for facility expansion at existing campuses and related infrastructures at the following ministry organizations: Saint Alphonsus Regional Medical Center in Boise, Idaho - $140 million, Saint Joseph Mercy Health System in Ann Arbor, Michigan - $104 million, Mt. Carmel Health System in Columbus, Ohio - $19 million, Battle Creek Health System, Battle Creek, Michigan - $15 million, and Saint Mary's Mercy Medical Center in Grand Rapids, Michigan - $15 million. The costs of these projects are expected to be financed by proceeds from bond issuances, available hospital funds, future operations of the hospitals and contributions.

6. LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS

A summary of long-term debt and capital lease obligations at June 30 is as follows:

	2005	2004
	(In Thousands)	
Tax-exempt revenue bonds and refunding bonds:		
Fixed rate term and serial bonds, payable at various dates through 2037. Interest rate ranges from 3.0% to 6.0% at June 30, 2005.	$ 759,047	$ 877,865
Variable rate term bonds payable at various dates through 2038. Interest payable monthly at variable rates from 1.0% to 3.1% at June 30, 2005.	1,056,712	907,101
Notes payable to banks, 1.4% to 8.0%, fixed and variable, payable in varying monthly installments, due through 2023.	29,789	30,491
Capital lease obligations (excluding imputed interest of $26.8 million and $27.8 million at June 30, 2005 and 2004).	21,223	22,573
Other	4,702	5,709
Subtotal	1,871,473	1,843,739
Less current portion of long-term debt	(47,855)	(45,760)
Less unamortized bond discounts	(5,796)	(7,966)
Long-term debt	$ 1,817,822	$ 1,790,013

Scheduled principal repayments on long-term debt are as follows:

	(In Thousands)
Years ending June 30:	
2006	$ 47,855
2007	58,158
2008	41,020
2009	42,380
2010	44,216
Thereafter	1,637,844
Total	$ 1,871,473

A summary of interest costs on borrowed funds held by the trustee under the revenue bond indentures during the years ended June 30 are as follows:

	2005	2004
	(In Thousands)	
Interest costs incurred	$ 86,911	$ 69,105
Less: capitalized interest	7,912	8,128
Interest expense included in operations	$ 78,999	$ 60,977

Obligated Group and Other Requirements - The Corporation has debt outstanding under a Master Trust Indenture dated July 1, 1998, as amended and supplemented thereto, the Amended and Restated Master Indenture ("ARMI"). The ARMI permits the Corporation to issue obligations to finance certain activities. Obligations issued under the ARMI are general, unsecured, direct obligations of the Corporation and any future members of the Trinity Health Obligated Group. Proceeds from the tax-exempt bonds and refunding bonds are to be used to finance the construction, acquisition and equipping of capital improvements. Since the implementation of the ARMI, the Corporation is the sole member of the Trinity Health Obligated Group. Certain ministry organizations of the Corporation constitute Designated Affiliates and the Corporation covenants to cause each Designated Affiliate to pay, loan or otherwise transfer to the Corporation such amounts necessary to pay the amounts due on all obligations issued under the ARMI. Trinity Health, the Designated Affiliates and all other controlled affiliates are referred to as the Credit Group. The aggregate amount of obligations outstanding using the ARMI (other than obligations that have been advance refunded) are $1,750 million and $1,614 million at June 30, 2005 and 2004, respectively.

There are several conditions and covenants required by the ARMI with which the Corporation must comply, including covenants that require the Corporation to maintain a minimum debt service coverage and limitations on liens or security interests in property, except for certain permitted encumbrances, affecting the property of Trinity Health or any Material Designated Affiliate (a Designated Affiliate whose total revenues for the most recent fiscal year exceed 5% of the total revenues of the Credit Group for the most recent fiscal year). Long-term debt outstanding as of June 30, 2005 and 2004, excluding amounts issued under the ARMI, is generally collateralized by certain property and equipment.

Issuance of Long-Term Debt – On November 17, 2004, the Corporation issued $164.6 million in tax-exempt, variable rate hospital revenue bonds and $19.1 million in tax-exempt, fixed rate hospital revenue bonds (the "Series 2004 Bonds") under the ARMI. The proceeds were used to finance, refinance and reimburse a portion of the costs of acquisition, construction, renovation and equipping of health facilities and to pay related costs of issuance. Proceeds, together with funds held by trustees, were used to retire $20.1 million of the Corporation's then outstanding fixed rate hospital revenue bonds.

These transactions resulted in a loss from extinguishment of debt of $679,000, which has been reflected as a non-operating loss in the 2005 consolidated statement of operations and changes in net assets.

On November 7, 2003, the Corporation issued $283.5 million in tax-exempt, variable rate hospital revenue bonds (the "Series 2003 Bonds") under the ARMI. The proceeds were used to finance, refinance and reimburse a portion of the costs of acquisition, construction, renovation and equipping of health facilities and to pay related costs of issuance. Proceeds, together with funds held by trustees, were used to retire $141.4 million of the Corporation's then outstanding fixed rate hospital revenue bonds. Additionally, the Corporation retired $8.3 million of revenue bonds issued outside the ARMI. These transactions resulted in a loss from extinguishment of debt of $7.8 million, which has been reflected as a non-operating loss in the 2004 consolidated statement of operations and changes in net assets.

Defeasance of Long-Term Debt – Prior to the formation of Trinity Health, several ministry organizations entered into a master indenture on June 1, 1991, with Bank One Trust Company, NA, as Master Trustee, under which it issued a series of obligations. In June 2005, the Corporation advanced refunded (through net defeasances) all remaining debt totaling $70.7 million under this master indenture by depositing funds in trustee-held escrow accounts exclusively for the payment of principal and interest on various revenue bonds originally issued from 1975 through 1997, which remain outstanding. As a result, the Master Indenture and the related bond indentures were discharged and the Corporation was released from all remaining obligations issued under the Master Indenture.

The Corporation also advance refunded (through net defeasances) $20.9 million of debt issued under the ARMI during 2005. The trustees/escrow agents are solely responsible for the subsequent extinguishment of the bonds. The trustee held escrow accounts are invested in U.S. government securities. These transactions resulted in a loss from extinguishment of debt of $7.5 million, which has been reflected as a non-operating loss in the 2005 consolidated statement of operations and changes in net assets. The outstanding balance of all such bonds excluded from the consolidated balance sheets was $271.1 million and $218.4 million at June 30, 2005 and 2004, respectively.

Commercial Paper - The Corporation has entered into a commercial paper program authorized for borrowings up to $150 million. Proceeds from this program are to be used to finance certain acquisitions and for general purposes of the Corporation. The notes are payable from the proceeds of subsequently issued notes and from other funds available to the Corporation including funds derived from the liquidation of securities held by the Corporation in its investment portfolio. The interest rate charged on borrowings outstanding during 2005 ranged from 1.34% to 3.30% and ranged from 1.03% to 1.16% during 2004.

Liquidity Facilities - The Corporation has entered into separate liquidity facilities and standby letters of credit totaling $537.3 million related to variable rate bonds of $531.4 million. Accordingly, the variable term bonds have been classified as long term as it is the Corporation's intent to remarket these obligations if presented for redemption. These liquidity facilities are available to the Corporation should the holders of the obligations present such obligations for redemption and the obligations are not remarketed. The termination dates for the various liquidity facility agreements ranges from November 2005 through December 2015. The Corporation has the intent to renew these liquidity facility agreements. There were no borrowings through these liquidity facilities during 2005 and 2004.

Line of Credit –The Corporation had $61.8 million available under five lines of credit at June 30, 2005. The majority of the borrowings outstanding at June 30, 2005 and 2004 were due to $49.9 million borrowed during 2004 to extinguish external debt. This agreement has a variable interest rate based on LIBOR or the banks' prime rate. The interest rate charged on borrowings outstanding during 2005 ranged from 1.9% to 3.8% and ranged from 1.6% to 1.8% during 2004.

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

A summary of accounts payable and accrued expenses at June 30 is as follows:

	2005	2004
	(In Thousands)	
Accounts payable	$ 182,386	$ 184,564
Unsettled investment trades	61,887	50,751
Payable and incurred but not reported claims	24,960	17,032
Interest	7,111	8,992
Other	35,177	57,242
Total	$ 311,521	$ 318,581

8. PROFESSIONAL AND GENERAL LIABILITY PROGRAMS

The Corporation's insurance company qualifies as a captive insurance company in the domicile where it operates and provides certain insurance coverage to the Corporation's ministry organizations. The Corporation also has domestic trusts for both professional liability and workers' compensation insurance. As a result, the Corporation is self-insured for certain levels of general and professional liability, workers' compensation and certain other claims. The Corporation has limited its liability through the purchase of reinsurance and commercial coverage through unrelated third-party insurers.

For 2005 and 2004, the self-insured limit for the first layers of professional liability was $15 million and $10 million, respectively, per occurrence with an annual aggregate of $100 million. Additional layers of professional liability insurance are available with coverage provided through other insurance carriers and various reinsurance arrangements.

The liability for self-insurance reserves represents estimates of the ultimate net cost of all losses and loss adjustment expenses which are incurred but unpaid at the balance sheet date. The reserves are based on the loss and loss adjustment expense factors inherent in the Corporation's premium structure. These factors were determined by independent consulting actuaries from estimates of the Corporation's expenses and available industry wide data. The reserves include estimates of future trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the liability for unpaid claims and related adjustment expenses is adequate based on the loss experience of the Corporation. The estimates are continually reviewed and adjusted as necessary. Such adjustments are reflected in current operations, and resulted in a reduction in other expense of approximately $0 and $7 million for the years ended June 30, 2005 and 2004, respectively.

Claims in excess of certain insurance coverage and the recorded self-insurance liability have been asserted against the Corporation by various claimants. The claims are in various stages of processing, and some may ultimately be brought to trial. There are known incidents occurring through June 30, 2005 that may result in the assertion of additional claims, and other claims may be asserted arising from services provided in the past. While it is possible that settlement of asserted claims and claims which may be asserted in the future could result in liabilities in excess of amounts for which the Corporation has provided, management, based upon the advice of Counsel, believes that the excess liability, if any, should not materially affect the consolidated financial position, operations or cash flows of the Corporation.

9. PENSION AND OTHER BENEFIT PLANS

Self-Insured Employee Health Benefits - The Corporation administers self-insured employee health benefits programs for employees. The majority of the Corporation's employees participate in the programs. The provisions of the plans permit employees and their dependents to elect to receive medical care at either the Corporation's ministry organizations or other health care providers. Gross patient revenue has been reduced by an allowance for self-insured employee health benefits of $109.8 million and $97.5 million for 2005 and 2004, which represented revenue attributable to medical services provided by the Corporation to its employees and dependents in such years.

Deferred Compensation – The Corporation has nonqualified deferred compensation plans at certain ministry organizations that permit eligible employees to defer a portion of their compensation. The deferred amounts are distributable in cash after retirement or termination of employment. At June 30, 2005 and 2004, the assets and liabilities under these plans totaled $30.8 million and $25.7 million, respectively.

Noncontributory Defined Benefit Pension Plans (Pension Plans) - Substantially all of the Corporation's employees participate in noncontributory defined benefit pension plans. Benefits are based on years of service and employees highest five years of compensation. Certain supplemental unfunded plan arrangements also provide retirement benefits to specified groups of participants. Because the Pension Plans have Church Plan status as defined in the Employee Retirement Income Security Act ("ERISA") of 1974, funding in accordance with ERISA is not required. During 2005 and 2004, contributions were approximately equal to 138% and 143% of service costs for funded plans, respectively. The plans' assets are invested in equity securities, fixed income securities, money market investments, absolute return strategy funds, commingled limited partnerships and real estate.

Defined Contribution Benefits – The Corporation sponsors defined contribution pension plans covering substantially all of its employees. The majority of the employer matching contributions contributed by the Corporation of up to 3% of compensation are deposited in a cash balance arrangement in the pension plans. For for-profit organizations employer contributions are self-directed by plan participants in defined contribution plans. Employee contributions in all plans are self-directed by plan participants. Contribution expense under the plans totaled approximately $27.6 and $19.0 million in 2005 and 2004, respectively.

Postretirement Health Care and Life Insurance Benefits (Postretirement Plans) - The Corporation sponsors both funded and unfunded, contributory plans to provide health care benefits to certain of its retirees. The retiree plans cover certain hourly and salaried employees who are retired from certain ministry organizations. Medical benefits for these retirees are subject to deductibles and co-payment provisions. For the funded plan, assets are invested in fixed income mutual funds, equity security mutual funds, and money market investments.

In June 2004, the Corporation approved an amendment to one of the plans. The amendment provides for limitations in the form of dollar caps on the amount of employer costs under the plan, requires retirees living in the Corporation's Ohio service area to utilize HMO insurance through an insurance subsidiary, and also changed future eligibility requirements for employees who did not meet certain service requirements. The amendment resulted in a reduction of $16.7 million in annual net periodic benefit costs during 2005.

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 was signed into law. The Act introduces a prescription drug benefit beginning in 2006 under Medicare (Medicare Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a drug benefit that is at least actuarially equivalent to Medicare Part D.

The Corporation elected not to defer accounting for the effects of the Act, and the impact of the future subsidy was recognized as of March 31, 2004, which decreased the accumulated postretirement benefit obligation $29.4 million. The change did not affect the 2004 net periodic benefit cost. Final regulations were issued in January 2005, the impact of which was not material to the accumulated postretirement benefit obligation, or to 2005 net periodic benefit cost.

The following table sets forth the changes in benefit obligations, changes in plan assets and funded status of the plans for both the Pension and Postretirement Plans for the years ended June 30, measured as of March 31:

	Pension Plans		Postretirement Plans	
	2005	2004	2005	2004
	(In Thousands)		(In Thousands)	
Change in benefit obligation				
Benefit obligation, beginning of year	$ 2,483,104	$ 2,036,339	$ 226,242	$ 195,742
Service cost	135,384	109,358	7,012	10,930
Interest cost	147,174	132,643	10,645	12,524
Amendments	9,281	-	(67,317)	(3,824)
Actuarial (gain) loss	17,990	270,013	(16,173)	16,696
Benefits paid	(63,341)	(65,249)	(6,611)	(5,826)
Benefit obligation, end of year	2,729,592	2,483,104	153,798	226,242
Change in plan assets				
Fair value of plan assets, beginning of year	1,729,552	1,268,424	36,319	32,525
Actual return on plan assets	136,621	369,979	1,101	7,647
Employer contributions	156,644	156,398	4,575	3,832
Benefits paid	(63,341)	(65,249)	(6,611)	(7,685)
Fair value of plan assets, end of year	1,959,476	1,729,552	35,384	36,319
Funded status of the plans: under funded	(770,116)	(753,552)	(118,414)	(189,923)
Unrecognized net actuarial loss	749,738	753,894	45,586	66,221
Unrecognized prior service cost	21,611	15,340	(47,538)	(2,605)
Unrecognized transition (asset) obligation	(41,104)	(49,297)	-	13,759
Employer contribution between measurement date and fiscal year end	30,000	-	756	131
Net amount recognized	$ (9,871)	$ (33,615)	$ (119,610)	$ (112,417)
Amount recognized in consolidated balance sheet				
Accrued benefit liability	$ (263,797)	$ (303,789)		
Intangible asset	21,611	15,340		
Cumulative adjustment to unrestricted net assets	232,315	254,834		
Net amount recognized	$ (9,871)	$ (33,615)		

As of June 30, 2005 and 2004, all of the Corporation's pension plans had accumulated benefit obligations that exceeded plan assets. The accumulated benefit obligation at June 30, 2005 and 2004 was $2.3 billion and $2.0 billion, respectively. The minimum pension liability is the result of the accumulated benefit obligation in excess of plan assets adjusted for previously accrued pension cost and unrecognized prior service costs. As of March 31, 2004, the $270 million actuarial loss on projected benefit obligation pension liabilities was due primarily to a 50 basis point decreases in the discount rate.

Components of net periodic benefit cost for the years ended June 30, 2005 and 2004 consisted of the following:

	Pension Plans		Postretirement Plans	
	2005	2004	2005	2004
	(In Thousands)		(In Thousands)	
Service cost	$ 135,384	$ 109,358	$ 7,012	$ 10,930
Interest cost	147,174	132,643	10,645	12,524
Expected return on assets	(157,637)	(115,983)	(3,090)	(2,773)
Amortization of unrecognized transition (asset) obligation	(8,193)	(8,193)	752	3,425
Amortization of prior service cost	3,010	2,743	(9,376)	232
Recognized net actuarial loss	42,542	51,817	6,526	4,027
Net benefit cost	$ 162,280	$ 172,385	$ 12,469	$ 28,365

Assumptions used to determine benefit obligations and net periodic benefit cost for the fiscal years were as follows:

	Pension Plans		Postretirement Plans	
	2005	2004	2005	2004
Benefit Obligations:				
Discount rate	6.0%	6.0%	6.0%	6.0%
Rate of compensation increase	4.0%	4.0%	N/A	N/A
Net Periodic Benefit Cost:				
Discount rate	6.0%	6.5%	6.0%	6.5%
Expected long-term return on plan assets	9.0%	9.0%	9.0%	9.0%
Rate of compensation increase	4.0%	4.0%	N/A	N/A

The Corporation uses an efficient frontier analysis approach in determining its asset allocation and long-term rate of return for plan assets. Efficient frontier analysis models the risk and return tradeoffs among asset classes while taking into consideration the correlation among the asset classes. Historical market returns and risks are examined as part of this process, but risk-based adjustments are made to correspond with modern portfolio theory. Long-term historical correlations between asset classes are used, consistent with widely accepted capital markets principles. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term rate of return is established via the efficient frontier analysis approach with proper consideration of asset class diversification and rebalancing. Peer data and historical returns are reviewed to check for reasonableness and appropriateness.

Health Care Cost Trend Rates – Assumed health care cost trend rates have a significant effect on the amounts reported for the postretirement plans. The postretirement benefit obligation includes assumed health care cost trend rates as follows:

	2005	2004
Medical and Drugs, pre age 65	11.0%	11.0%
Medical and Drugs, post age 65	13.0%	13.0%
Ultimate Trend Rate	5.0%	5.0%
Year the rate reaches Ultimate Rate	2011	2010

The $16.1 million actuarial gain on postretirement plan liabilities at March 31, 2005 was primarily due to actual participation experience as a result of the recent plan changes, as amended. The $16.7 million actuarial loss on postretirement plan liabilities at March 31, 2004, was primarily due to the decrease in the discount rate and increases in the health care cost trend rates, offset by the recognition of the Medicare Part D subsidy.

A one-percentage point change in assumed health care cost trend rates would have the following effects as of June 30, 2005:

	1 Percentage Point Increase	1 Percentage Point Decrease
	(In Thousands)	
Effect on total of service cost and interest cost components	$ 3,081	$ (2,476)
Effect on postretirement benefit obligation	$ 19,788	$ (16,473)

The Corporation's asset allocations at June 30, 2005 and 2004, by asset category are as follows:

	Pension Plans		Postretirement Plans	
	2005	2004	2005	2004
Asset Category				
Cash and cash equivalents	4%	3%	1%	12%
U.S. Government and government agency obligations	11%	17%	-	-
U.S. corporate obligations	18%	13%	-	-
U.S. fixed income mutual funds	-	-	49%	44%
U.S. equity securities, commingled funds, mutual funds	25%	22%	50%	36%
Non-U.S. debt obligations, commingled funds, mutual funds	1%	-	-	-
Non-U.S. equity securities, commingled funds, mutual funds	12%	20%	-	8%
Absolute return strategy, commingled limited partnerships	28%	20%	-	-
Real estate and other	1%	5%	-	-
Total	100%	100%	100%	100%

The Corporation employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across U.S. and non-U.S. stocks, as well as

growth, value, and small and large capitalizations. Other assets such as hedge funds and private equity are used judiciously to enhance long-term returns while improving portfolio diversification. Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments. Investment risk is measured and monitored on an ongoing basis through quarterly investment portfolio reviews, annual liability measurements, and periodic asset/liability studies. The combined target asset allocation at June 30, 2005, as revised in May 2005 to include long/short equity and private equity, was U.S. equity securities 30%; non-U.S. equity securities 20%; fixed income obligations 20%; absolute return strategy, commingled limited partnerships (hedge funds) 20%; long/short equity 5%; private equity 5%.

Expected Contributions - The Corporation expects to contribute $147 million to its pension plans and $4 million to its postretirement plans in fiscal year 2006.

Expected Benefit Payments – The Corporation expects to pay the following for pension benefits, which reflect expected future service as appropriate, and expected postretirement benefits, before deducting the Medicare Part D subsidy.

(In Thousands)	Pension Plans	Postretirement Plans	Postretirement Medicare Part D Subsidy
2006	$ 84,670	$ 6,384	$ -
2007	86,508	7,205	777
2008	96,000	7,968	906
2009	106,845	8,765	1,033
2010	119,270	9,615	1,161
Years 2011 - 2015	828,443	58,237	7,212

10. COMMITMENTS AND CONTINGENCIES

Operating Leases - The Corporation leases various land, equipment and facilities under operating leases. Total rental expense, which includes provisions for maintenance in some cases, in 2005 and 2004, was $80.0 million and $75.6 million, respectively.

The following is a schedule of future minimum lease payments under operating leases as of June 30, 2005, that have initial or remaining lease terms in excess of one year.

	(In Thousands)
Years ending June 30:	
2006	$ 50,255
2007	40,079
2008	29,829
2009	23,577
2010	18,125
Thereafter	71,874
Total	$ 233,739

Guarantees – The Corporation has entered into debt guarantees that are excluded from the consolidated balance sheets. The guaranteed debt was used to finance equipment purchases and to finance or construct professional office buildings, including outpatient surgery centers, rehabilitation facilities, medical facilities and medical office buildings. Multiple guarantees at the following levels existed at June 30, 2005:

(In Thousands)

Total Principal Amount	Dollars Guaranteed by Corporation	Percent Guaranteed by Corporation	Percent Guaranteed by Others
$ 8,649	$ 8,649	100%	0%
23,309	11,655	50%	50%
3,800	1,862	49%	51%
5,075	2,030	40%	60%
4,941	1,482	30%	70%
2,520	630	25%	75%
$ 48,294	$ 26,308		

Litigation – In July 2004, three plaintiffs filed a complaint against Trinity Health Corporation and the American Hospital Association in the U.S. District Court (Eastern District of Michigan) on behalf of themselves and all others similarly situated, alleging a variety of state and federal claims related to the defendants' obligations to provide charity care. The complaint seeks certification of a class of all uninsured patients. The complaint seeks an unspecified amount of damages, a constructive trust to be imposed on the Corporation's assets and revenues in an amount sufficient to provide the plaintiffs and the class relief, and certain other unspecified equitable relief. If the outcome is adverse to the Corporation, the Corporation could potentially incur material damages or other financial consequences. The Corporation has filed a motion to dismiss the complaint, however, the Court has not yet ruled on that motion. At this time, it is premature to assess the likely course or outcome of this litigation.

The Corporation is involved in other litigation and regulatory investigations arising in the course of doing business. After consultation with legal Counsel, management estimates that these matters will be resolved without material adverse effect on the Corporation's future financial position or results of operations.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS AND DERIVATIVES

The estimated fair value of financial instruments has been determined by the Corporation using available market information and appropriate valuation methodologies. These estimates are subjective in nature and involve uncertainties and matters of considerable judgment. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Corporation could realize in a current market exchange. The use of different assumptions, judgments and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The following methods and assumptions were used by the Corporation to estimate the fair value of financial instruments:

Cash and cash equivalents, investments, security lending collateral, assets whose use is limited, patient accounts receivable and current liabilities - The carrying amounts reported in the consolidated balance sheets approximate their fair value.

***Marketable securities* -** The fair value amounts of marketable securities, included in investments and assets limited or restricted as to use in the consolidated balance sheets, are based on quoted market prices, if available, or are estimated using quoted market prices for similar securities.

Other investments – The Corporation invests in various other investments structured as limited liability corporations, partnerships and absolute return strategy funds, which are included in investments and assets limited or restricted as to use in the consolidated balance sheets. The absolute return strategy funds are designed to produce positive investment returns regardless of market activity. These investments utilize a "fund-of-funds" approach resulting in diversified multi-strategy, multi-manager investments. Underlying investments in these funds may include equities, fixed income securities, commodities, currencies and derivatives. These investments are stated at fair value as determined by the administrators of each underlying fund, in consultation with fund investment managers. Commingled funds that hold securities directly are stated at fair value of the underlying securities, as determined by the administrator, based on readily determinable market values. Generally, redemptions may be made with written notice ranging from one month to one year.

The composition of cash, cash equivalents and investments at June 30 is set forth below:

	2005	2004
	(In Thousands)	
Cash and cash equivalents	$ 686,344	$ 676,393
Marketable securities:		
U.S. Government and government agency obligations	378,372	560,777
U.S. corporate obligations	564,731	398,891
U.S. fixed income commingled funds, mutual funds	199,077	127,396
U.S. equity securities, commingled funds, mutual funds	678,102	604,193
Non-U.S. debt obligations, commingled funds, mutual funds	19,722	6,847
Non-U.S. equity securities, commingled funds, mutual funds	312,024	460,894
Other	24,571	21,491
Total marketable securities	2,176,599	2,180,489
Other investments:		
Absolute return strategy (fund-of-funds)	468,414	402,326
Commingled funds directly holding securities	225,885	-
Total other investments	694,299	402,326
Subtotal	3,557,242	3,259,208
Less current portion	(1,124,759)	(870,285)
Total investments	$ 2,432,483	$ 2,388,923

In addition to investments, assets restricted as to use include receivables for unconditional promises to give cash and other assets net of allowances for uncollectable promises totaling $46.1 million and $50.7 million at June 30, 2005 and 2004, respectively. The allowance for uncollectable promises was $3.8 million and $5.2 million at June 30, 2005 and 2004, respectively. The promises are due mainly over the next one to five years.

The composition of investment returns included in the consolidated statement of operations and changes in net assets are as follows:

	2005	2004
	(In Thousands)	
Dividend, interest income and other	$ 77,994	$ 62,663
Realized gains, net	152,864	115,735
Realized losses from impairments	(8,049)	(6,637)
Net loss from change in fair value of interest rate swaps	(6,824)	(922)
Realized equity earnings, other investments	20	-
Change in net unrealized gains on investments	(7,985)	173,389
Total investment return	$ 208,020	$ 344,228
Included in:		
Operating income	$ 71,513	$ 56,384
Nonoperating items	163,962	111,708
Changes in unrestricted net assets	(29,236)	167,479
Changes in restricted net assets	1,781	8,657
Total investment return	$ 208,020	$ 344,228

The following tables summarize investments where cost basis exceeds fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

At June 30, 2005
(In Thousands)

	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government and government agency obligations	$ 141,652	$ 643	$ 9,888	$ 118	$ 151,540	$ 761
U.S. corporate obligations	254,172	3,375	46,052	1,590	300,224	4,965
U.S. fixed income commingled funds, mutual funds	600	16	-	-	600	16
U.S. equity securities, commingled funds, mutual funds	93,642	10,170	29,284	6,956	122,926	17,126
Non-U.S. equity securities, commingled funds, mutual funds	138,562	12,286	1,584	344	140,146	12,630
Absolute return strategy, commingled limited partnerships	225,885	8,315	-	-	225,885	8,315
Other	148	3	47	177	195	180
Total temporarily impaired securities	$ 854,661	$ 34,808	$ 86,855	$ 9,185	$ 941,516	$ 43,993

	At June 30, 2004 (In Thousands)					
	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government and government agency obligations	$ 171,726	$ 1,065	$ 2,596	$ 66	$ 174,322	$ 1,131
U.S. corporate obligations	212,036	3,385	3,793	992	215,829	4,377
U.S. fixed income commingled funds, mutual funds	175,153	1,514	3,496	271	178,649	1,785
U.S. equity securities, commingled funds, mutual funds	73,493	7,354	33,868	6,950	107,361	14,304
Non-U.S. debt obligations commingled funds, mutual funds	5,274	180	-	-	5,274	180
Non-U.S. equity securities, commingled funds, mutual funds	13,761	1,028	3,321	556	17,082	1,584
Other	170	3	-	-	170	3
Total temporarily impaired securities	$ 651,613	$ 14,529	$ 47,074	$ 8,835	$ 698,687	$ 23,364

At June 30, 2005, the Corporation's investment program contained approximately 570 securities whose fair market value was below cost. Of these, approximately 244 were fixed income securities, including U.S. Government and agency obligations and corporate obligations. The balance was comprised primarily of equity securities. The fair market value of these investments has declined due to a number of reasons, including changes in interest rates, changes in economic conditions, and changes in market outlook for various industries, among others. The Corporation's investment program holds a total of approximately 1,400 securities, with a net unrealized gain position of $146.6 million.

Investments are considered to be impaired when a decline in fair value is judged to be other than temporary. The Corporation employs a systematic methodology for reviewing these securities that considers available evidence in evaluating potential impairment of its investments. This review considers the severity and duration of the decline in market value, the volatility of the security's market price, third party analyst reports, credit rating changes, and regulatory or legal action or changes, among other factors. Once a decline in fair value is determined to be other than temporary, an impairment charge is recorded as a component of investment income and a new cost basis in the investment is established.

Long-term Debt - The carrying amounts of the Corporation's variable-rate long-term debt and commercial paper approximate their fair values. The fair value of the Corporation's fixed-rate long-term debt is estimated using discounted cash flow analyses, based on current incremental borrowing rates for similar types of borrowing arrangements. The fair value of the fixed-rate long-term revenue and refunding bonds was $817.3 million and $1,018.5 million for 2005 and 2004, respectively. The related carrying value of the fixed-rate long-term revenue and refunding bonds was $759 million and $877.9 million for 2005 and 2004, respectively. The fair values of the remaining fixed-rate capital leases, notes payable to banks, and other debt are not materially different from their carrying values.

Derivative Financial Instruments - The Corporation entered into certain derivative instruments, mainly interest rate swaps and index futures.

Interest rate swaps – The Corporation utilizes certain interest rate swaps to manage interest rate risk related to the Corporation's variable interest rate debt, variable rate leases and a fixed income investment portfolio. The following table provides details on changes in the Corporation's estimated fair value of the interest rate swap agreements.

(In Thousands)	**Variable to Fixed (1)**	**Variable to Fixed (2)**	**Variable to Variable (3)**	**Fixed to Variable (4)**	**Total**
Asset (Liability) at June 30, 2003	$ (40,654)	$ -	$ (17,588)	$ 10,572	$ (47,670)
Recognized In:					
Interest expense	6,369	-	-	-	6,369
Occupancy expense	324	-	-	-	324
Operating investment income	-	-	-	(599)	(599)
Non-operating investment income	-	-	4,205	(4,528)	(323)
Excess of revenue over expenses	6,693	-	4,205	(5,127)	5,771
Unrestricted net assets	13,063	-	-	-	13,063
Asset (Liability) at June 30, 2004	(20,898)	-	(13,383)	5,445	(28,836)
Recognized In:					
Interest expense	(5,796)	-	-	-	(5,796)
Occupancy expense	312	-	-	-	312
Operating investment income	-	-	-	43	43
Non-operating investment income	-	(4,920)	(2,396)	449	(6,867)
Excess of revenue over expenses	(5,484)	(4,920)	(2,396)	492	(12,308)
Unrestricted net assets	(14,518)	-	-	-	(14,518)
Asset (Liability) at June 30, 2005	$ (40,900)	$ (4,920)	$ (15,779)	$ 5,937	$ (55,662)

(1) The Corporation entered into interest rate swap agreements that meet the accounting requirements for cash flow hedges. Under two agreements with a notional amount of $200 million, floating rate tax-exempt debt is effectively converted to a fixed rate basis. The fixed rate is 5.21% and the floating rate is a variable BMA rate. These agreements mature on August 15, 2030. The ineffective portion of these cashflow hedges is recorded in interest expense on the consolidated statement of operations and changes in net assets. Additionally, the Corporation entered into interest rate swap agreements with a notional amount of $12.8 million that effectively convert variable rate operating leases to fixed rate leases. The floating rate is 80% of LIBOR and the fixed payment rate is 4.3%. These agreements expire on October 1, 2007. The ineffective portion of these cashflow hedges is recorded in occupancy expense on the consolidated statement of operations and changes in net assets. The change in fair value of the effective portion of cash flow hedges is included in other changes in unrestricted net assets.

(2) In October 2004, the Corporation entered into two agreements with a notional amount of $86.7 million, effectively converting floating rate tax-exempt debt to a fixed rate basis. The fixed rate is 3.512% and the floating rate is 68% of LIBOR. These agreements mature on December 1, 2038. These agreements do not qualify for hedge accounting resulting in changes in fair value being recorded in non-operating investment income.

(3) The Corporation entered into interest rate swap agreements with a notional amount of $200 million that swap a variable BMA rate to 71% of LIBOR. These agreements do not qualify for hedge accounting resulting in changes in fair value being recorded in non-operating investment income.

(4) The Corporation entered into interest rate swap agreements whereby the Corporation receives fixed rates ranging from 4.8% through 5.5%, and pays a variable rate based upon a floating BMA index and a notional principal amount of $70 million. The purpose of these swaps is to hedge market price risk on fixed income investment securities. These agreements do not qualify for hedge accounting resulting in changes in fair value being recorded in investment income. These agreements mature at various dates through the year 2019. Two of these swaps, with total notional value of $40 million, have cancellation options at various dates in 2006 and 2009. For the periods ended June 30, 2005 and 2004, $15 million and $20 million, respectively, of these interest rate swaps matured.

The Corporation is exposed to credit loss in the event of nonperformance by the counter parties to the interest rate swap agreements. However, the Corporation does not anticipate nonperformance by the counter parties.

Index Futures and Other –The Corporation primarily enters into S&P 500 Index Futures used in conjunction with a portfolio of fixed income securities to replicate the S&P 500 index on an unleveraged basis. At June 30, 2005, and 2004, the notional amount of S&P 500 Index futures was $419 million and $352 million, respectively. The market value of these index futures was zero at June 30, 2005 and 2004, with daily changes in net position reflected in investment income in the consolidated statement of operations and changes in net assets. At June 30, 2005 and 2004, the notional amount of mortgage backed forward purchase contracts was $113 million and $97 million, respectively, with market value approximately equal to the notional amount due to the short term duration of these securities. In addition, at June 30, 2005 and 2004, the notional amount of collateralized mortgage obligations was $181 million and $53 million, respectively, with market value approximately equal to the notional amount. The notional amount of all other derivative financial instruments, primarily interest rate and currency futures, hedged on the Corporation's investments at June 30, 2005 and 2004 was ($5) million and ($42) million, respectively. The Corporation records its derivative financial instruments at fair market value on its consolidated balance sheet, and records the changes in fair market value for these derivatives in investment income in the consolidated statement of operations and changes in net assets.

12. SUBSEQUENT EVENT

Interest Rate Swap Agreement – On September 7, 2005, the Corporation entered into two agreements with a total notional amount of $100 million, effectively converting floating rate tax-exempt debt to a fixed rate basis. The fixed rate is 3.303% and the floating rate is 68% of LIBOR. These forward starting agreements are effective November 15, 2005 and mature on December 1, 2036. Trinity Health has not applied hedge accounting to these agreements and therefore changes in fair value will be recorded in non-operating investment income in the consolidated statements of operations and changes in net assets.

Debt Issuance – Subsequent to June 30, 2005, the Corporation plans to issue approximately $250 million of additional hospital revenue bonds to finance the acquisition, equipping and construction of various projects. In addition, the Corporation plans to refinance certain of its existing debt.

* * * *

APPENDIX C

SUMMARY OF FINANCING DOCUMENTS

The following is a summary of certain provisions of the Sixth Supplemental Bond Indenture, the Iowa Indenture and the Indiana Indenture (collectively, the "Bond Indentures" and, individually, a "Bond Indenture"), the Fourth Supplemental Sublease, the Iowa Loan Agreement and the Indiana Loan Agreement (collectively, the "Financing Agreements" and, individually, a "Financing Agreement"), which are not described elsewhere in this Official Statement.

These summaries do not purport to be comprehensive and reference should be made to each of said documents for a full and complete statement of their provisions.

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms used in this Summary of Financing Documents. All capitalized terms not defined below or elsewhere in this Official Statement (including APPENDIX E to this Official Statement) have the meanings set forth in the related Bond Indenture.

"Business Day" means any day (i) other than a Saturday or Sunday or other day on which banking institutions located in New York, New York, and the city or cities in which the Principal Corporate Trust Office and Designated Office of the Bond Trustee are located are required or authorized to be closed, and (ii) on which The New York Stock Exchange is open.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor statute thereto and any regulations promulgated thereunder.

"Ethical and Religious Directives" means Ethical and Religious Directives for Catholic Health Care Services, as promulgated from time to time by the National Conference of Catholic Bishops, Washington, D.C., of the Roman Catholic Church. If the National Conference of Catholic Bishops shall cease to exist, "Ethical and Religious Directives" shall mean such similar directives promulgated by its successor organization or by such organization then exercising its powers and duties, or by the Roman Catholic Church.

"Existing Sublease" means the Amended and Restated Sublease, dated as of June 1, 1998, among the Issuer, Trinity Health and the Ohio Designated Affiliates.

"Favorable Opinion" means an opinion of Bond Counsel addressed to the Issuer and the Bond Trustee to the effect that the action proposed to be taken is authorized or permitted by the related Bond Indenture and the related Act and will not result in the inclusion of interest on the Bonds in gross income for federal income tax purposes.

"Holder" or "Bondholder," whenever used herein with respect to a Bond, means the Person in whose name such Bond is registered.

"Insurance Policy" means the separate insurance policy issued by the Insurer for each Series, guaranteeing the scheduled payment of principal of and interest on the Bonds of such Series when due.

"Insurer" means Financial Security Assurance Inc. and any successors and assigns thereof.

"Insurer's Fiscal Agent" means the Insurer's designated agent, if any.

"Interest Payment Date" means, with respect to any Bond, initially, the date set forth on the inside cover of this Official Statement and thereafter, (i) if the Interest Rate Mode for such Bond is the Commercial Paper Rate, each Repurchase Date; (ii) if the Interest Rate Mode for such Bond is the Daily or Weekly Rate, the first Business Day of each calendar month thereafter or the first Business Day of each calendar month occurring after any Conversion Date with respect thereto; (iii) for any Liquidity Facility Bond, the date or dates specified in the Liquidity Facility; (iv) if the Interest Rate Mode for such Bond is the Auction Rate, and (a) when used with respect to any Auction Period other than a daily Auction Period or a Special Auction Period, the Business Day immediately following each such Auction Period, (b) when used with respect to a daily Auction Period, the first Business Day of the month immediately succeeding such Auction Period, and (c) when used with respect to a Special Auction Period of (x) seven or more but fewer than 92 days, the Business Day immediately following such Special Auction Period or (y) 92 or more days, each thirteenth Wednesday after the first day of such Special Auction Period or the next Business Day if such Wednesday is not a Business Day and on the Business Day immediately following such Special Auction Period; (v) each Mandatory Tender Date; (vi) if the Interest Rate Mode for such Bond is the Term Rate, each June 1 and December 1; provided, however, that if any June 1 or December 1 which is a Conversion Date for Conversion to the Daily Rate, the Weekly Rate or the Commercial Paper Rate, is not a Business Day, then the first Business Day immediately succeeding such June 1 or December 1, as applicable; and (vii) the Maturity Date.

"Maximum Interest Rate" means 12% per annum; provided, however, that the Maximum Interest Rate shall be the Maximum Liquidity Facility Bond Rate for the Liquidity Facility Bonds; and provided, further, that the Maximum Interest Rate shall not exceed the maximum interest rate permitted by law from time to time.

"Maximum Liquidity Facility Bond Rate" when used with respect to the Bonds of a Series, means the maximum rate of interest to be borne by Liquidity Facility Bonds of such Series pursuant to the related Liquidity Facility.

"Principal Payment Date" means (1) each date upon which the Bonds of each Series are subject to redemption from Sinking Fund Installments pursuant to the related Bond Indenture, (2) each maturity date established for the Bonds of each Series pursuant to the related Bond Indenture, and (3) the Maturity Date.

"Redemption Price" means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and the related Bond Indenture.

"Revenues" means all amounts received by an Issuer or the Bond Trustee for the account of such Issuer pursuant or with respect to the related Financing Agreement or the related Series 2005 Obligation, including, without limiting the generality of the foregoing, Basic Rent Payments with respect to the Ohio Bonds and Loan Repayments with respect to the Iowa and Indiana Bonds (including both timely and delinquent payments and any late charges, and whether paid from any source), prepayments, insurance proceeds, condemnation proceeds and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the related Bond Indenture, but not including any moneys required to be deposited in the related Rebate Fund or, with respect to the Iowa and Indiana Bonds only, any Administrative Fees and Expenses.

"Supplement" means that certain Supplemental Master Indenture Number Thirteen, dated as of November 1, 2005, between Trinity Health and the Master Trustee, supplementing and amending the Master Indenture, pursuant to which the Series 2005 Obligations are issued.

"United States Government Obligations" means (1) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, (2) cash (insured at all times by the Federal Deposit Insurance Corporation) or (3) senior debt obligations of agencies sponsored by the United States government approved by the Insurer.

BOND INDENTURES

The following is a summary of certain provisions of the Bond Indentures. This summary does not purport to be complete or definitive and reference is made to each of the Bond Indentures for the complete terms thereof.

General

The Sixth Supplemental Bond Indenture, the Iowa Indenture and the Indiana Indenture set forth the terms of the Ohio Bonds, Iowa Bonds and Indiana Bonds, respectively, the nature and extent of security, the various rights of the holders of the Bonds, the rights, duties and immunities of the Bond Trustee and the rights and obligations of the Issuers. Certain provisions of the Bond Indentures are summarized below; other provisions are summarized in this Official Statement under the caption "THE SERIES B BONDS," "THE SERIES C BONDS" and "THE SERIES I BONDS."

Interest on the Bonds; Determination of Interest Rates Generally

The Bonds of each Series bear interest, payable in lawful money of the United States of America, from the date thereof at the rates determined pursuant to the related Bond Indenture and described below. During each Interest Period for each Interest Rate Mode, interest on the Bonds shall be payable on the Interest Payment Date for such Interest Period.

Interest on the Bonds during a Dutch Auction Rate Period is calculated on the basis of a 360-day year for the actual number of days elapsed, except that interest during a six month Auction Period or a Special Auction Period of more than 180 days is calculated on the basis of a 360-day year composed of twelve 30-day months. (See the Auction Procedures described in APPENDIX E to this Official Statement.)

Auction Rates

During each Auction Rate Period, the Bonds bear interest at the Auction Rate, which shall be determined by the Auction Agent as provided in the Auction Procedures.

Pledge and Assignment

Subject only to the provisions of the related Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the related Bond Indenture, there are pledged to secure the payment of the principal of and premium, if any, and interest on the Bonds of each Series, in accordance with their terms and the provisions of the related Bond Indenture, all of the related Revenues (including proceeds of the sale of the Bonds of such Series) and any other amounts held in any fund or account established pursuant to the related Bond Indenture (other than the Bond Purchase Fund

and the Rebate Fund). Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery of the Bonds of each Series by the Bond Trustee, without any physical delivery thereof or further act.

The Issuer of each Series of Bonds transfers in trust, grants a security interest in and assigns to the Bond Trustee, for the benefit of the Holders from time to time of the Bonds of such Series, all of the Revenues and other assets pledged in the preceding paragraph and all of the right, title and interest of such Issuer in the related Financing Agreement (except for (i) the right to receive any Administrative Fees and Expenses to the extent payable to such Issuer, (ii) any rights of such Issuer to indemnification, and (iii) the obligation of Trinity Health to make deposits pursuant to the related Non-Arbitrage Certificate). The Bond Trustee shall be entitled to and shall collect and receive all of such Revenues, and any Revenues collected or received by such Issuer shall be deemed to be held, and to have been collected or received, by such Issuer as the agent of the Bond Trustee and shall forthwith be paid by such Issuer to the Bond Trustee. The Bond Trustee also shall be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce all of the rights of such Issuer and all of the obligations of Trinity Health under the related Financing Agreement and of the Obligated Group Agent and the other Members of the Obligated Group under the related Series 2005 Obligation.

Establishment of Funds and Accounts

Each Bond Indenture creates a Revenue Fund, a Bond Purchase Fund, an Interest Account, a Principal Account, a Redemption Fund, a Costs of Issuance Fund, a Project Fund and a Rebate Fund and, within the Redemption Fund, an Optional Redemption Account, a Special Redemption Account, all of which are to be held by the Bond Trustee.

Revenue Fund. All Revenues shall be promptly deposited by the Bond Trustee upon receipt thereof in a special fund designated as the "*Revenue Fund*" which the Bond Trustee is directed to establish, maintain and hold in trust, except as otherwise provided in the related Bond Indenture, and except that all moneys received by the Bond Trustee and required by the related Financing Agreement or the related Series 2005 Obligation to be deposited in the Bond Purchase Fund or the Redemption Fund, shall be promptly deposited in the Bond Purchase Fund and Redemption Fund, respectively. All Revenues deposited with the Bond Trustee shall be held, disbursed, allocated and applied by the Bond Trustee only as provided in the related Bond Indenture.

On or before the dates specified below, the Bond Trustee shall transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Bond Trustee is directed to establish and maintain within the Revenue Fund) the following amounts, in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

First: to the Interest Account, on or before each Interest Payment Date, the amount of interest becoming due and payable on such Interest Payment Date on all Bonds of the related Series then Outstanding, until the balance in said account is equal to said amount of interest; and

Second: to the Principal Account, on or before each Principal Payment Date, the amount of the Sinking Fund Installment becoming due and payable with respect to the related Series of Bonds on such Principal Payment Date, until the balance in said account is equal to said amount of such Sinking Fund Installment.

Any moneys remaining in the Revenue Fund after the foregoing transfers shall be transferred to Trinity Health as an overpayment of Basic Rent Payments for the Ohio Bonds or of Loan Repayments for the Iowa and Indiana Bonds.

Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Bond Trustee solely for the purpose of paying interest on the Bonds of the related Series as it shall become due and payable (including accrued interest on any Bonds purchased pursuant to the related Bond Indenture or redeemed prior to maturity pursuant to the related Bond Indenture).

Principal Account. (a) All amounts in the Principal Account shall be used and withdrawn by the Bond Trustee solely to pay Sinking Fund Installments with respect to the related Series of Bonds, to pay principal of the Bonds of such Series at maturity or to pay principal of the Bonds of such Series upon purchase pursuant to the related Bond Indenture or redemption as provided in the related Bond Indenture.

(b) On each Sinking Fund Installment date, if any, the Bond Trustee shall apply the Sinking Fund Installment required on that date to the redemption (or payment at maturity, as the case may be) of Bonds, upon the notice and in the manner provided in the related Bond Indenture; provided, however, that, at any time prior to giving such notice of such redemption, the Bond Trustee may apply moneys in the Principal Account to the purchase of Bonds of the related Series at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as directed in writing by the Obligated Group Agent, except that the purchase price (excluding accrued interest) shall not exceed the par amount of the Bonds of the related Series so purchased. If, during the twelve-month period immediately preceding a Sinking Fund Installment payment date, if any, the Bond Trustee has purchased Bonds of the related Series with moneys in the Principal Account, or, during said period and prior to giving said notice of redemption, the Obligated Group Agent has deposited Bonds of the related Series with the Bond Trustee (together with a Request of the Obligated Group Agent, to apply such Bonds to the Sinking Fund Installment due on said date), or Bonds of the related Series were at any time purchased or redeemed by the Bond Trustee from the Redemption Fund and allocable to said Sinking Fund Installment, such Bonds shall be applied, to the extent of the full principal amount thereof, to reduce said Sinking Fund Installment. All Bonds purchased or deposited pursuant to this subsection, if any, shall be cancelled by the Bond Trustee. Bonds purchased from the Principal Account, purchased or redeemed from the Redemption Fund, or deposited by the Obligated Group Agent with the Bond Trustee shall be allocated first to the next succeeding Sinking Fund Installment, if any, for such Series of Bonds, then as a credit against such future Sinking Fund Installments for such Bonds as the Obligated Group Agent may specify in writing.

Redemption Fund. The Bond Trustee shall establish, maintain and hold in trust a fund separate from any other fund established and maintained under the related Bond Indenture designated as the "*Redemption Fund*" and within the Redemption Fund a separate Optional Redemption Account and a separate Special Redemption Account. All amounts deposited in the Optional Redemption Account and the Special Redemption Account shall be used and withdrawn by the Bond Trustee solely for the purpose of redeeming Bonds of the related Series, in the manner and upon the terms and conditions specified in the related Bond Indenture, on the next succeeding date of redemption for which notice has not previously been given and at the Redemption Prices then applicable to redemptions from the Optional Redemption Account and the Special Redemption Account, respectively; provided, however, that, at any time prior to giving such notice of redemption, the Bond Trustee shall, upon direction of the Obligated Group Agent, apply such amounts to the purchase of Bonds of such Series at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Obligated Group Agent may direct, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to such Bonds; and provided,

further, that in the case of the Optional Redemption Account, in lieu of redemption on such next succeeding date of redemption, or in combination therewith, amounts in such account may be transferred to the Revenue Fund to the extent not needed to redeem Bonds for which notice of redemption has previously been given by the Bond Trustee and credited against Basic Rent Payments with respect to the Ohio Bonds or Loan Repayments with respect to the Iowa or Indiana Bonds in order of their due date as set forth in a Request of the Obligated Group Agent.

Costs of Issuance Fund. The Bond Trustee shall establish, maintain and hold in trust a fund separate from any other fund established and maintained under the related Bond Indenture designated as the "*Costs of Issuance Fund.*" The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Bond Trustee to pay the related Costs of Issuance upon Requisition of the Obligated Group Agent stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against the Costs of Issuance Fund.

Project Fund. The Bond Trustee shall establish, maintain and hold in trust a fund separate from any other fund established and maintained under the related Bond Indenture designated as the "*Project Fund.*" The moneys in the Project Fund shall be used and withdrawn by the Bond Trustee to pay the costs of the related Project. No moneys in the Project Fund shall be used to pay related Costs of Issuance or to pay any costs relating to a project which is not listed in the related Non-Arbitrage Certificate, regardless of whether such project falls within the definition of "Project" as defined under the related Bond Indenture, unless the related Issuer and the Trustee have received a Favorable Opinion of Bond Counsel as to such payment. When the Project shall have been completed, and upon the receipt by the Bond Trustee of a certificate as required under the related Bond Indenture, the Bond Trustee shall transfer any remaining balance in the Project Fund, less the amount of any retention, to the Optional Redemption Account and apply such funds to the optional redemption of Bonds of the related Series. Notwithstanding anything to the contrary in the related Bond Indenture, if there is an Event of Default under the related Bond Indenture, the Bond Trustee shall not disburse moneys as provided in this paragraph, but shall use any moneys in the Project Fund to pay principal of and interest on the related Bonds if there are insufficient funds in the related Revenue Fund unless otherwise directed by the Insurer.

Rebate Fund. The Bond Trustee shall establish and maintain a fund separate from any other fund established and maintained under the related Bond Indenture designated as the "*Rebate Fund*." Within the Rebate Fund, the Bond Trustee shall maintain such accounts as shall be specified by the related Non-Arbitrage Certificate. All amounts deposited into or on deposit in the Rebate Fund shall be governed by provisions in the related Bond Indenture and by the related Non-Arbitrage Certificate.

Particular Covenants

Punctual Payment of Ohio Bonds. Subject to the provisions of the Sixth Supplemental Bond Indenture, each and every covenant made, including, without limitation, all covenants made under this section, is predicated upon the condition that any obligation for the payment of money incurred by the Ohio Issuer shall not represent or constitute a general obligation of such Issuer or a loan of credit thereof within the meaning of the provisions of the constitution or statures of the State of Ohio or a pledge of the full faith and credit of such Issuer or grant to the owners of the Ohio Bonds any right to such Issuer levy taxes, excise or appropriate any funds for the payment for the principal of the Ohio Bonds or interest or premium thereon. Subject to the forgoing, the Issuer shall punctually cause to be paid the principal or Redemption Price and interest to become due in respect of the Bonds of the related Series, in strict conformity with the terms of the Bonds of such Series and the related Bond Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment, as provided in the related Bond Indenture.

Punctual Payment of Iowa and Indiana Bonds. Each Issuer shall punctually cause to be paid the principal or Redemption Price and interest to become due in respect of the Bonds of the related Series, in strict conformity with the terms of the Bonds of such Series and the related Bond Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment, as provided in the related Bond Indenture.

Extension of Payment of Bonds. No Issuer shall directly or indirectly extend or assent to the extension of the maturity of any of the Bonds of the related Series or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement; and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the related Bond Indenture, to the benefits of such Bond Indenture, except subject to the prior payment in full of the principal or purchase price of all of the Bonds of such Series then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing described in this paragraph shall be deemed to limit the right of an Issuer to issue obligations for the purpose of refunding any Outstanding Bonds of the related Series and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds of such Series.

Against Encumbrances. No Issuer shall create any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under the related Bond Indenture while any of the Bonds of the related Series are Outstanding, except the pledges and assignments created by the related Bond Indenture, and will assist the Bond Trustee in contesting any such pledge, lien, charge or other encumbrance which may be created. Subject to this limitation, each Issuer expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the related Act, and reserves the right to issue other obligations for such purposes.

Enforcement of Financing Agreement and Obligation. The Bond Trustee shall promptly collect all amounts due from Trinity Health pursuant to the related Financing Agreement and from the Obligated Group pursuant to the related Series 2005 Obligation, shall perform all duties imposed upon it pursuant to such Financing Agreement and shall diligently enforce, and take all steps, actions and proceedings reasonably necessary for the enforcement of, all of the rights of the related Issuer and all of the obligations of Trinity Health pursuant to such Financing Agreement.

Amendment of Financing Agreement.

(A) Except as provided in the related Bond Indenture, no Issuer shall amend, modify or terminate any of the terms of the related Financing Agreement, or consent to any such amendment, modification or termination, unless the written consent of the holders of a majority in principal amount of the Bonds of the related Series then Outstanding to such amendment, modification or termination is filed with the Bond Trustee, provided, however, that the Insurer shall be considered the holder of all such Bonds for the above-mentioned consent purposes so long as the Insurer has not lost its rights under the Bond Indenture as provided therein; provided, further, that no such amendment, modification or termination shall reduce the amount of Basic Rent Payments with respect to the Ohio Bonds or Loan Repayments with respect to the Iowa and Indiana Bonds to be made to the related Issuer or the Bond Trustee by Trinity Health pursuant to the related Financing Agreement, or extend the time for making such payments, without the written consent of all of the holders of the Bonds of such Series then Outstanding.

(B) No amendment to the related Financing Agreement under the preceding paragraph shall be effective unless and until the Insurer shall have consented to the execution and delivery of such amendment.

Replacement of Related Series 2005 Obligation with Obligation Issued Under Replacement Master Indenture. The related Series 2005 Obligation shall be surrendered by the Bond Trustee and delivered to the Master Trustee for cancellation upon receipt by the Bond Trustee and the related Issuer of the following:

(1) a Request of Trinity Health requesting such surrender and delivery and stating that Trinity Health has become a member of an obligated group under a replacement master indenture (other than the Master Indenture) (or Trinity Health is obligated, by its articles of incorporation, bylaws or by contract or otherwise, to make payments to an entity that is a member of such an obligated group in amounts sufficient to enable the entity to make payments with respect to obligations issued under such replacement master indenture) and that an obligation is being issued to the Bond Trustee under such replacement master indenture (the "Replacement Master Indenture");

(2) a properly executed obligation (the "Replacement Obligation") issued under the Replacement Master Indenture and registered in the name of the Bond Trustee with the same tenor and effect as the related Series 2005 Obligation (in a principal amount equal to the then Outstanding principal amount of Bonds of the related Series), duly authenticated by the master trustee under the Replacement Master Indenture;

(3) an Opinion of Counsel selected by Trinity Health and not objected to by the Bond Trustee or the related Issuer, addressed to the Bond Trustee and the related Issuer, to the effect that the Replacement Obligation has been validly issued under the Replacement Master Indenture and constitutes a valid and binding obligation of Trinity Health (or the entity to which Trinity Health is obligated to make the payments referred in paragraph (1) above) and each other member of the obligated group (if any) which is jointly and severally liable under the Replacement Master Indenture, subject to such qualifications as are acceptable to the Bond Trustee;

(4) a copy of the Replacement Master Indenture, certified as a true and accurate copy by the master trustee under the Replacement Master Indenture;

(5) written confirmation from each Rating Agency then rating the Bonds that the replacement of the related Series 2005 Obligation will not, by itself, result in a reduction in the then-current ratings on the Bonds of such Series;

(6) a Favorable Opinion of Bond Counsel; and

(7) the written consent of the Insurer.

Upon satisfaction of such conditions, all references in the related Bond Indenture and in the related Financing Agreement to the related Series 2005 Obligation shall be deemed to be references to the Replacement Obligation, all references to the Master Indenture shall be deemed to be references to the Replacement Master Indenture, all references to the Master Trustee shall be deemed to be references to the master trustee under the Replacement Master Indenture, all references to the Obligated Group and the Members of the Obligated Group shall be deemed to be references to the obligated group and the members of the obligated group under the Replacement Master Indenture and all references to the Supplement shall be deemed to be references to the supplemental master indenture pursuant to which the Replacement Obligation is issued.

Continuing Disclosure. So long as the Bonds bear interest at a Daily Rate, a Weekly Rate or a Commercial Paper Rate, neither Trinity Health nor the Obligated Group Agent shall have any continuing disclosure obligation. Otherwise, pursuant to the related Financing Agreement, Trinity Health

has undertaken all responsibility for compliance with continuing disclosure requirements, and no Issuer shall have any liability to the Holders of the Bonds of the related Series or any other person with respect to S.E.C. Rule 15c2-12. Notwithstanding any other provision of the related Bond Indenture, failure of Trinity Health or the Dissemination Agent (as defined in the Continuing Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default under the related Bond Indenture; however, the Bond Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% aggregate principal amount of Outstanding Bonds of the related Series, shall) or any Bondholder or Beneficial Owner of Bonds of such Series may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause Trinity Health to comply with its obligations under the related Financing Agreement or to cause the Bond Trustee to comply with its obligations under the related Bond Indenture.

Tax Covenant. Each Issuer agrees to at all times do and perform all acts and things permitted by law and the related Bond Indenture, which are necessary or desirable in order to assure that interest paid on the Bonds of the related Series (or any of them) will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, each Issuer agrees to comply with the provisions of the related Non-Arbitrage Certificate. This covenant shall survive payment in full or defeasance of the Bonds of the related Series.

Events of Default; Remedies

Events of Default. The following events shall be Events of Default under each Bond Indenture:

(A) default in the due and punctual payment of the principal or Redemption Price of any Bond of the related Series when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration or otherwise, or default in the redemption of any Bonds of such Series from Sinking Fund Installments in the amount and at the times provided therefor;

(B) default in the due and punctual payment of any installment of interest on any Bond of such Series when and as such interest installment shall become due and payable;

(C) if, as permitted hereunder, no Liquidity Facility is in effect, failure to pay the Purchase Price of any tendered Bond of such Series when such payment is due (other than upon a failed proposed conversion from an Auction Rate Period to a different Rate Period);

(D) default in any material respect by the related Issuer in the observance of any of the other covenants, agreements or conditions on its part contained in the related Bond Indenture or the Bonds of such Series, if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the related Issuer and Trinity Health by the Insurer or the Insurer and the Bond Trustee, or (with the consent of the Insurer) to the related Issuer, Trinity Health and the Bond Trustee by the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds of such Series at the time Outstanding; or

(E) a default event under the related Financing Agreement.

Upon actual knowledge of the existence of any Event of Default under the related Bond Indenture, the Bond Trustee shall notify Trinity Health, the Obligated Group Agent, the related Issuer and the Master Trustee in writing as soon as practicable; provided, however, that the Bond Trustee need not provide notice of any Loan Default Event if Trinity Health has expressly acknowledged the existence of such Loan Default Event in a writing delivered to the Bond Trustee, the Obligated Group Agent, the related Issuer, the Insurer and the Master Trustee.

Remedies. If any Event of Default under the related Bond Indenture has occurred and is continuing, the Bond Trustee may take the following remedial steps: (a) in the case of an Event of Default described in clause (A), (B) or (C) of the preceding paragraph, the Bond Trustee may, with the consent of the Insurer, or upon the written request of the Insurer shall, notify the related Issuer and the Obligated Group Agent of such Event of Default and declare the principal of all of the Bonds of the related Series then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the related Bond Indenture to the contrary notwithstanding; (b) in the case of an Event of Default described in clause (D) of the preceding paragraph, the Bond Trustee, may with the consent of the Insurer, take whatever action at law or in equity is necessary or desirable to enforce the performance, observance or compliance by the related Issuer with any covenant, condition or agreement by the related Issuer under the related Bond Indenture; and (c) in the case of an Event of Default described in clause (E) of the preceding paragraph, the Bond Trustee, may with the consent of the Insurer, take whatever action the related Issuer would be entitled to take, and shall take whatever action the related Issuer would be required to take, pursuant to the related Financing Agreement in order to remedy the default.

Trustee to Represent Bondholders. Each Bond Indenture irrevocably appoints the Bond Trustee (and the successive respective Holders of the related Series of Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Bond Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the related Series of Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Bonds, the related Bond Indenture, the related Financing Agreement, the related Series 2005 Obligation, the related Act and applicable provisions of any other law.

The Sixth Supplemental Bond Indenture provides that upon the occurrence and continuance of an Event of Default, the Bond Trustee may, with the consent of the Master Trustee, also pursue any available remedy at law or in equity to enforce the payment of the principal of and interest on the Ohio Bonds then Outstanding or to enforce any obligations of the Ohio Issuer under the Sixth Supplemental Bond Indenture. If any event of default shall have occurred, and if requested so to do in writing by the owners of not less than twenty-five percent (25%) in aggregate principal amount of Ohio Bonds then Outstanding, and having been indemnified as provided in the Sixth Supplemental Bond Indenture, the Bond Trustee shall be obligated to exercise such one or more of the rights and powers summarized in this paragraph as the Bond Trustee, being advised by counsel, shall deem most expedient in the interests of the Ohio Bondholders. All rights of action (including the right to file proof of claim) under the Sixth Supplemental Bond Indenture or under any of the Ohio Bonds may be enforced by the Bond Trustee without the possession of any of the Ohio Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Bond Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Ohio Bonds, and any recovery of judgment shall, subject to the provisions of the Sixth Supplemental Bond Indenture, be for the equal benefit of the Outstanding Ohio Bonds.

The Iowa and Indiana Indentures provide that upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Bond Trustee to represent the holders of the related Series of Bonds, the Bond Trustee in its discretion may, and upon the written request of the

holders of not less than twenty-five percent (25%) in aggregate principal amount of such Bonds then Outstanding and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such holders by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in the related Bond Indenture, or in aid of the execution of any power in the related Bond Indenture granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Bond Trustee or in such holders under the related Bond Indenture, the related Financing Agreement, the related Series 2005 Obligation, the related Act, or any other law; and upon instituting such proceeding, the Bond Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other amounts and assets pledged under the related Bond Indenture, pending such proceedings. If more than one such request is received by the Bond Trustee from the Holders, the Bond Trustee shall follow the written request executed by the Holders of the greater percentage of such Bonds then Outstanding in excess of twenty-five percent (25%). All rights of action under the related Bond Indenture or the Bonds or otherwise may be prosecuted and enforced by the Bond Trustee without the possession of any of Bonds of the Related Series or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Bond Trustee shall be brought in the name of the Bond Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of the related Bond Indenture.

Bondholders' Direction of Proceedings. Anything in the related Bond Indenture to the contrary notwithstanding, except the provisions relating to the rights of the Insurer, the Holders of a majority in aggregate principal amount of the Bonds of the related Series then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Bond Trustee, and upon indemnifying the Bond Trustee to its satisfaction therefor, to direct the method of conducting all remedial proceedings taken by the Bond Trustee under the related Bond Indenture, provided that such direction shall not be otherwise than in accordance with law and the provisions of the related Bond Indenture, and as provided in the Iowa and Indiana Indentures, the Bond Trustee shall have the right to decline to follow any such direction which in the opinion of the Bond Trustee would be unjustly prejudicial to such Bondholders not parties to such direction.

The Sixth Supplemental Bond Indenture provides that the provisions in the preceding paragraph shall not affect the Bond Trustee's obligation with regard to the Ohio Bonds, to obtain the consent of the Master Trustee prior to the Bond Trustee's exercise of any of it rights or remedies under the Sixth Supplemental Bond Indenture other than to act as a Noteholder under the Master Indenture.

Limitation on Ohio Bondholders' Right to Sue. The Sixth Supplemental Bond Indenture provides that no owner of any Ohio Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Sixth Supplemental Bond Indenture or for the execution of any trust thereof unless a default has occurred of which the Bond Trustee has been notified as provided in the Sixth Supplemental Indenture, or by which it is deemed to have notice, nor unless also such default shall have become an event of default and the owners of twenty-five percent (25%) in aggregate principal amount of Ohio Bonds then Outstanding shall have made written request to the Bond Trustee and shall have offered the Bond Trustee reasonable opportunity either to proceed to exercise the powers, hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Bond Trustee indemnity, nor unless the Bond Trustee shall thereafter fail or refuse exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its, his or their own name or names. Such notification, request and offer of indemnity are declared in every case at the option of the Bond Trustee to be conditions precedent to the execution of the powers and trusts of the Sixth Supplemental Bond Indenture, and to any action or cause of action for the enforcement of the Sixth Supplemental Bond Indenture, it being understood and intended that no one or more owners of the Ohio Bonds shall have any right under the Sixth Supplemental Bond Indenture except in the manner provided

in the Sixth Supplemental Bond Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the owners of all Ohio Bonds then Outstanding. Nothing in the Sixth Supplemental Bond Indenture contained shall, however, affect or impair the right of any owner of any Ohio Bond to enforce the covenants of the Ohio Issuer, Trinity Health, or the Ohio Designated Affiliates to pay the principal of, premium, if any, and interest on each of the Ohio Bonds issued under the Sixth Supplemental Bond Indenture to the respective owners thereof at the time, place, from the source and in the manner in said Ohio Bonds expressed.

Limitation on Iowa and Indiana Bondholders' Right to Sue. The Iowa and Indiana Indentures provide that no Holder of any Bond of any Series shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the related Bond Indenture, the related Financing Agreement, the related Series 2005 Obligation, the related Act, or any other applicable law with respect to such Bond, unless (1) such Holder shall have given to the Bond Trustee written notice of the occurrence of an Event of Default under the related Bond Indenture; (2) the Holders of not less than twenty-five per cent (25%) in aggregate principal amount of the Bonds of such Series then Outstanding shall have made written request upon the Bond Trustee to exercise the powers granted in the related Bond Indenture or to institute such suit, action or proceeding in its own name; provided, however, that if more than one such request is received by the Bond Trustee from such Holders, the Bond Trustee shall follow the written request executed by the Holders of the greater percentage of Bonds of such Series then Outstanding in excess of twenty-five percent (25%); (3) such Holder or said Holders shall have tendered to the Bond Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Bond Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Bond Trustee.

Such notification, request, tender of indemnity and refusal or omission are declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any Series of any remedy under the related Bond Indenture or under law; it being understood and intended that no one or more Holders of Bonds of such Series shall have any right in any manner whatever by such Holder's or Holders' action to affect, disturb or prejudice the security of the related Bond Indenture or the rights of any other Holders of Bonds of such Series, or to enforce any right under the related Bond Indenture, the related Financing Agreement, the related Series 2005 Obligation, the related Act, or other applicable law with respect to the Bonds of such Series, except in the manner provided in the related Bond Indenture, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner provided in the related Bond Indenture and for the benefit and protection of all Holders of the Outstanding Bonds of such Series, subject to the provisions of the related Bond Indenture.

Absolute Obligation of Issuer. Nothing contained in any provision of the Bond Indentures or in the related Bonds, shall affect or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the related Series of Bonds to the respective Holders of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, and not otherwise, or affect or impair the right of such Holders, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the related Series of Bonds. Additionally, the Sixth Supplemental Bond Indenture provides that in case of an Event of Default relating to the Ohio Bonds under the Sixth Supplemental Bond Indenture, the Ohio Issuer shall cooperate with the Bond Trustee and use its best efforts to protect the Holders of the Ohio Bonds, subject to its right to be indemnified pursuant to the Fourth Supplemental Sublease.

Rights of Insurer. Anything in the related Bond Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, and so long as the Insurer has not lost its rights under the Bond Indenture as provided therein, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders of the related Series of Bonds or the Bond Trustee for the benefit of such Holders under the related Bond Indenture, including, without limitation: (i) the right to accelerate the principal of the Bonds of the related Series and (ii) the right to annul any declaration of acceleration, and the Insurer shall also be entitled to approve all waivers of Events of Default.

Amendment of Indenture

The related Bond Indenture and the rights and obligations of the related Issuer, the Holders of the Bonds and the Bond Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the related Issuer, and the Bond Trustee may enter into with the written consent of the Holders of a majority in aggregate principal amount of the Bonds of such Series then Outstanding (or the Insurer in lieu thereof so long as the Insurer has not lost its rights under the Bond Indenture as provided therein), the consent of the Liquidity Facility Provider, if any and the consent of the Obligated Group Agent shall have been filed with the Bond Trustee. No such modification or amendment shall (1) extend the stated maturity of any Bond of such Series, or reduce the amount of principal thereof, or extend the time of payment or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, or change the Purchase Price to be paid to Holders tendering their Bonds, without the consent of the Holder of each Bond of such Series so affected, or (2) reduce the aforesaid percentage of Bonds of such Series the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the related Bond Indenture prior to or on a parity with the lien created by the related Bond Indenture, or deprive the Holders of the Bonds of such Series of the lien created by the related Bond Indenture on such Revenues and other assets (except as expressly provided in the related Bond Indenture), without the consent of the Holders of all Bonds then Outstanding. It shall not be necessary for the consent of the Holders of the related Series of Bonds to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the related Issuer and the Bond Trustee of any Supplemental Indenture pursuant to this paragraph, the Bond Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture to the Holders of the related Series of Bonds at the addresses shown on the registration books maintained by the Bond Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

In addition, the Iowa and Indiana Indentures provide that the rights and obligations of the related Issuer, the Bond Trustee and the Holders of the Bonds of the related Series may also be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the related Issuer and the Bond Trustee may enter into with the consent of the Obligated Group Agent, but without the necessity of obtaining the consent of any Holders of such Bonds, only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the related Issuer contained in the related Bond Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for such Bonds (or any portion thereof), or to surrender any right or power reserved to or conferred upon the related Issuer in the related Bond Indenture; provided, however, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Holders of such Bonds;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the related Bond Indenture, or in regard to matters or questions arising under the related Bond Indenture, as the related Issuer or the Bond Trustee may deem necessary or desirable and not inconsistent with the related Bond Indenture, and which shall not materially adversely affect the interests of the Holders of such Bonds;

(3) to modify, amend or supplement the related Bond Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Holders of such Bonds;

(4) to evidence or give effect to, or to conform to the terms and provisions of, any Liquidity Facility for such Bonds;

(5) to evidence or give effect to, or to conform to the terms and provisions of, any insurance policy, letter of credit or other credit enhancement for such Bonds;

(6) to facilitate and implement any book entry system (or any termination of a book entry system) with respect to such Bonds;

(7) to maintain the exclusion from gross income for purposes of federal income taxation of interest payable with respect to such Bonds; or

(8) to make any modification or amendment to the related Bond Indenture which will be effective upon the remarketing of Bonds following the mandatory tender of such Bonds.

The Bond Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by the related Bond Indenture which materially adversely affects the Bond Trustee's own rights, duties or immunities under the related Bond Indenture or otherwise.

Anything in the Indentures to the contrary notwithstanding, a Supplemental Bond Indenture under the related Indenture shall not become effective unless and until the Insurer shall have consented to the execution and delivery of such Supplemental Bond Indenture.

Defeasance

Discharge of Bond Indenture. The Bonds of each Series may be paid by the related Issuer or the Bond Trustee on behalf of the related Issuer in any of the following ways:

(A) by paying or causing to be paid the principal or Redemption Price of and interest on all Bonds of such Series Outstanding, as and when the same become due and payable;

(B) by depositing with the Bond Trustee, in trust, at or before maturity, moneys or securities in the necessary amount (as provided in the related Bond Indenture) to pay when due or redeem all Bonds of such Series then Outstanding; or

(C) by delivering to the Bond Trustee, for cancellation by it, all Bonds of such Series then Outstanding.

If the related Issuer shall also pay or cause to be paid all other sums payable under the related Bond Indenture have been paid by the related Issuer and Trinity Health shall have paid all Administrative Fees and Expenses payable to the related Issuer pursuant to the related Financing Agreement then and in that case at the election of the related Issuer (evidenced by a Certificate of the related Issuer filed with the Bond Trustee signifying the intention of the related Issuer to discharge all such indebtedness and the related Bond Indenture), then and in that case, and notwithstanding that any Bonds of such Series shall not have been surrendered for payment, the related Bond Indenture and the pledge of Revenues and other assets made under the related Bond Indenture and all covenants, agreements and other obligations of the related Issuer under the related Bond Indenture (except as otherwise provided in the related Bond Indenture) shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the request of the related Issuer, the Bond Trustee shall cause an accounting for such period or periods as may be requested by the related Issuer to be prepared and filed with the related Issuer and shall execute and deliver to the related Issuer all such instruments as may be necessary to evidence such discharge and satisfaction, and the Bond Trustee shall, after payment of any amounts owed to the Insurer for reimbursement of payments pursuant to the Insurance Policy, pay over, transfer, assign or deliver to Trinity Health all moneys or securities or other property held by it pursuant to the related Bond Indenture which are not required for the payment or redemption of Bonds of such Series not theretofore surrendered for such payment or redemption; provided that in all events moneys in the related Rebate Fund shall be subject to the provisions of the related Bond Indenture.

Notwithstanding the foregoing, the related Bond Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

Discharge of Liability on Bonds. Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in the related Bond Indenture) to pay or redeem any Outstanding Bond of any Series (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as provided in the related Bond Indenture or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice, then all liability of the related Issuer in respect of such Bond shall cease, terminate and be completely discharged, except only that thereafter the holder thereof shall be entitled to payment of the principal of and interest on such Bond by the related Issuer, and the related Issuer shall remain liable for such payments, but only out of such money or securities deposited with the Bond Trustee as aforesaid for their payment, subject, however, to the provisions of the related Bond Indenture.

In addition, prior to the discharge of the liability on the Bonds, Trinity Health shall deliver or cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer Outstanding under the Bond Indenture, and (iv) a certificate of discharge of the Bond Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, the Trustee and the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow. The Bonds shall be Outstanding under the Bond Indenture unless and until they are in fact paid and retired or the above criteria are met.

Notwithstanding the foregoing, amounts paid by the Insurer pursuant to the Insurance Policy shall not be deemed paid for purposes of the related Bond Indenture and the related Bonds shall

remain Outstanding and continue to be due and owing until paid in accordance with the related Bond Indenture.

Deposit of Money or Securities with Bond Trustee. Whenever in the related Bond Indenture it is provided or permitted that there be deposited with or held in trust by the Bond Trustee money or securities in the necessary amount to pay or redeem any Bonds of any Series, the money or securities so to be deposited or held may include money or securities held by the Bond Trustee in the funds and accounts established pursuant to the related Bond Indenture (other than the Rebate Fund) and shall be:

(A) lawful moneys of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity (based on an assumed interest rate equal to the Maximum Rate for periods for which the actual interest rate on such Bonds cannot be determined), except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in the related Bond Indenture or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the Redemption Price of such Bonds and all unpaid interest thereon to the redemption date (based upon an assumed interest rate equal to the Maximum Rate for periods for which the actual interest on such Bonds cannot then be determined); or

(B) United States Government Obligations (not callable by the issuer thereof prior to maturity), the principal of and interest on which when due (without any income from the reinvestment thereof), together with cash, will provide money sufficient to pay the principal or Redemption Price of and all unpaid interest to maturity (based on an assumed interest rate equal to the Maximum Rate for periods for which the actual interest rate on such Bonds cannot be determined), or to the redemption date, as the case may be, on such Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due; provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in the related Bond Indenture or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice; provided, in each case, that the Bond Trustee shall have been irrevocably instructed (by the terms of the related Bond Indenture or by Request of the related Issuer) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds,

and, provided, further, that with respect to the deposit of United States Government Obligations, the Bond Trustee and the related Issuer shall have received (i) a verification report from a firm of independent certified public accountants or other Person with a favorable reputation in the field of verifying defeasance plans, in either case acceptable to the Bond Trustee to the effect that the amount deposited is sufficient to make the payments specified therein, and (ii) a Favorable Opinion of Bond Counsel; and provided, further, in each case, that, if such Bonds are then subject to optional or mandatory tender pursuant to the related Bond Indenture, either such Bonds shall be paid in full or redeemed prior to the first date upon which such Bonds may be optionally tendered or subject to mandatory tender or the Bond Trustee shall receive written confirmation from each Rating Agency then rating such Bonds that the defeasance of such Bonds through such deposit will not, by itself, result in a reduction in the then-current ratings on such Bonds.

Limited Liability of Issuer

Notwithstanding anything contained in the related Bond Indenture or in the Bonds of the related Series, the related Issuer shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under the related Bond Indenture for any of the

purposes in the related Bond Indenture mentioned, whether for the payment of the principal or Redemption Price of or interest on such Bonds or for any other purpose of the related Bond Indenture.

Insurer as Sole Bondholder

The Insurer shall be deemed to be the sole holder of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction (excepting those where 100% of Holders consent is required) or taking any other action that the Holders of the Bonds are entitled to take pursuant to the provisions of the related Bond Indenture which concern Events of Default and the Bond Trustee.

FOURTH SUPPLEMENTAL SUBLEASE

The following is a summary of certain provisions of the Fourth Supplemental Sublease relating to the Ohio Bonds. This summary does not purport to be complete or definitive and reference is made to the Fourth Supplemental Sublease for the complete terms thereof.

General

The Fourth Supplemental Sublease provides the terms of the loan of all of proceeds of the Ohio Bonds by the Ohio Issuer to Trinity Health and the repayment of such loans by Trinity Health and the Ohio Designated Affiliates.

Basic Rent Payments

Pursuant to the Fourth Supplemental Sublease, Trinity Health and the Ohio Designated Affiliates agree to pay, or cause to be paid, "Basic Rent Payments" in an amount sufficient to enable the Bond Trustee to make the transfers and deposits required at the times and in the amounts pursuant to the related Bond Indenture. Each Basic Rent Payment shall be made in immediately available funds. Notwithstanding the foregoing, Trinity Health agrees to make Basic Rent Payments, or cause payments to be made, at the times and in the amounts required to be paid as principal or Redemption Price of and interest on the Ohio Bonds from time to time Outstanding under the Sixth Supplemental Bond Indenture and other amounts required to be paid under the Sixth Supplemental Bond Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

Additional Rent Payments

Trinity Health also agrees to pay certain Additional Rent Payments in connection with the issuance of the Ohio Bonds, including fees of the Ohio Issuer, certain taxes and assessments charged to the Ohio Issuer or to the Bond Trustee, reasonable fees, charges, expenses and indemnities of the Ohio Issuer, the Bond Trustee and the Tender Agent under the Fourth Supplemental Sublease and the Sixth Supplemental Bond Indenture, reasonable fees and expenses of such experts engaged by the Ohio Issuer or the Bond Trustee, and all other reasonable and necessary fees and expenses attributable to the Fourth Supplemental Sublease or the related Series 2005 Obligation.

Prepayment

Trinity Health and the Ohio Designated Affiliates shall have the right, so long as all amounts which have become due under the Fourth Supplemental Sublease have been paid, at any time or from time to time to prepay all or any part of the Basic Rent Payments and the Ohio Issuer agrees that the Bond Trustee shall accept such prepayments when the same are tendered pursuant to the terms of the Bond Indenture. Prepayments may be made by payments of cash, deposit of United States Government Obligations or surrender of Bonds of such Series, as contemplated by the Fourth Supplemental Sublease. All such prepayments (and the additional payment of any amount necessary to pay the applicable premium, if any, payable upon the redemption of such Bonds) shall be deposited upon receipt at Trinity Health's direction in (i) the Principal Account, or (ii) the Redemption Fund (or in such other Bond Trustee escrow account as may be specified by Trinity Health), if such Bonds are to be redeemed pursuant to the related Bond Indenture, and at the request of and as determined by Trinity Health, credited against payments due under the Fourth Supplemental Sublease or used for the redemption or purchase of Outstanding Bonds of such Series in the manner and subject to the terms and conditions set forth in the related Supplemental Bond Indenture. Notwithstanding any such prepayment or surrender of Bonds, as long as any Bonds of such Series remain Outstanding or any Additional Rent Payments required to be made under the Fourth Supplemental Sublease remain unpaid, Trinity Health and the Ohio Designated Affiliates shall not be relieved of their obligations under the Fourth Supplemental Sublease.

Obligations Unconditional

The obligations of Trinity Health under the Fourth Supplemental Sublease are absolute and unconditional, notwithstanding any other provisions of the Fourth Supplemental Sublease, the Supplement, the related Series 2005 Obligations, the Master Indenture or the Sixth Supplemental Bond Indenture. Until the Fourth Supplemental Sublease is terminated and all payments under the Fourth Supplemental Sublease are made, Trinity Health and the Ohio Designated Affiliates:

(a) will pay all amounts required without abatement, deduction or set-off except as otherwise expressly provided in the Fourth Supplemental Sublease;

(b) will not suspend or discontinue any payments due for any reason whatsoever, including, without limitation, any right of set-off or counterclaim;

(c) will perform and observe all its other agreements contained in the Fourth Supplemental Sublease; and

(d) except as provided in the Fourth Supplemental Sublease, will not terminate the Fourth Supplemental Sublease for any cause, including, without limiting the generality of the foregoing, damage, destruction or condemnation of the health facilities financed with the proceeds of the related Bonds or any part thereof, commercial frustration of purpose, any change in the tax or other laws of the United States of America or Ohio or any political subdivision of either thereof, or any failure of the Ohio Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Fourth Supplemental Sublease.

The rights of the Bond Trustee or any party or parties on behalf of whom the Bond Trustee is acting shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever, whether arising out of any breach of any duty or obligation of the Ohio Issuer, the Master Trustee or the Bond Trustee owing to Trinity Health, or by reason of any other indebtedness or liability at any time owing by the Ohio Issuer, the Master Trustee or the Bond Trustee to Trinity Health.

Tax Covenant

Trinity Health covenants and agrees for itself and on behalf of the Ohio Issuer that it will at all times do and perform, for itself and on behalf of the Ohio Issuer, all acts and things permitted by law and the Fourth Supplemental Sublease which are necessary in order for the Bonds to satisfy the requirements of Sections 103 and 141 through 150 of the Code in order to assure that interest paid on the Ohio Bonds (or any of them) will be excluded from gross income for federal income tax purposes and will take no action that would result in failure of the Ohio Bonds to satisfy those requirements of the Code. Without limiting the generality of the foregoing, Trinity Health agrees to comply, and to cause the other members of the Credit Group to comply to the extent applicable to such other members, with the provisions of the related Non-Arbitrage Certificate. This covenant shall survive payment in full or defeasance of the Ohio Bonds.

Events of Default

Each of the following events shall constitute and be referred to as a "Sublease Default Event" with respect to the Fourth Supplemental Sublease:

(a) Failure by Trinity Health to pay in full any payment required of the Obligated Group to pay in full any payment required under the related Series 2005 Obligation when due, whether on an Interest Payment Date or at maturity, upon a date fixed for prepayment, by declaration, or otherwise pursuant to the terms of the Fourth Supplemental Sublease or the related Series 2005 Obligation;

(b) If any material representation or warranty made by Trinity Health or the Ohio Designated Affiliates in the Fourth Supplemental Sublease or made by Trinity Health or any Member of the Obligated Group in any document, instrument or certificate furnished to the Bond Trustee or the Ohio Issuer in connection with the issuance of the related Series 2005 Obligation or the Ohio Bonds shall at any time prove to have been incorrect in any respect as of the time made and shall not be brought into compliance within a period of sixty (60) days after written notice has been given to Trinity Health by the Ohio Issuer or the Bond Trustee;

(c) If Trinity Health or the Ohio Designated Affiliates shall fail to observe or perform any other covenant, condition, agreement or provision in the Fourth Supplemental Sublease on its part to be observed or performed, or shall breach any warranty by Trinity Health or the Ohio Designated Affiliates contained in the Fourth Supplemental Sublease, for a period of sixty (60) days after written notice, specifying such failure or breach and requesting that it be remedied, has been given to Trinity Health and the Ohio Designated Affiliates by the Ohio Issuer or the Bond Trustee; except that, if such failure or breach can be remedied but not within such sixty (60) day period and if Trinity Health and the Ohio Designated Affiliates have taken all action reasonably possible to remedy such failure or breach within such sixty (60) day period, such failure or breach shall not become a Sublease Default Event for so long as Trinity Health shall diligently proceed to remedy such failure or breach in accordance with and subject to any directions or limitations of time established by the Bond Trustee;

(d) Any Event of Default as defined in and under the Sixth Supplemental Bond Indenture or the Existing Sublease; or

(e) Any Event of Default as defined in and under the Master Indenture.

Remedies on Default

If a Sublease Default Event shall occur under the Fourth Supplemental Sublease, then, and in each and every such case during the continuance of such Sublease Default Event, the Bond Trustee on behalf of the Ohio Issuer, but subject to the limitations in the Bond Indenture as to the enforcement of remedies, may, take such action as it deems necessary or appropriate to collect amounts due under the Fourth Supplemental Sublease, to enforce performance and observance of any obligation or agreement of Trinity Health under the Fourth Supplemental Sublease or to protect the interests securing the same, and may, without limiting the generality of the foregoing, take one of the following actions: (a) exercise any or all rights and remedies given or available under the Fourth Supplemental Sublease or given by or available under any other instrument of any kind securing Trinity Health's performance under the Fourth Supplemental Sublease (including, without limitation, the related Series 2005 Obligation and the Master Indenture); (b) by written notice to Trinity Health declare all Basic Rent and Additional Rent to be immediately due and payable under this Fourth Supplemental Sublease, whereupon the same shall become immediately due and payable; and (c) take any action at law or in equity to collect the payment required hereunder then due, whether on the stated due date or by declaration of acceleration or otherwise, for damages or for specific performance or otherwise to enforce performance and observance of any obligation, agreement or covenant of Trinity Health hereunder.

Notwithstanding any other provision of the Fourth Supplemental Sublease or any right, power or remedy existing at law or in equity or by statute, the Bond Trustee shall not under any circumstances declare the entire unpaid aggregate amount of the payment due under the Fourth Supplemental Sublease to be immediately due and payable except in accordance with the directions of the Master Trustee if the Master Trustee shall have declared the aggregate principal amount of the related Series 2005 Obligations and all interest thereon immediately due and payable in accordance with the Master Indenture.

LOAN AGREEMENTS

The following is a summary of certain provisions of the Loan Agreement relating to the Iowa Bonds and the Loan Agreement relating to the Indiana Bonds. This summary does not purport to be complete or definitive and reference is made to each of the Financing Agreements for the complete terms thereof.

General

The Financing Agreements provide the terms of the loan of all of proceeds of the Bonds by the Issuers to Trinity Health and the repayment of such loans by Trinity Health.

Loan Repayments

Pursuant to each Financing Agreement, Trinity Health agrees to pay, or cause to be paid, "Loan Repayments" in an amount sufficient to enable the Bond Trustee to make the transfers and deposits required at the times and in the amounts pursuant to the related Bond Indenture. Each Loan Repayment shall be made in immediately available funds. Notwithstanding the foregoing, Trinity Health agrees to make payments, or cause payments to be made, at the times and in the amounts required to be paid as principal or Redemption Price of and interest on the Bonds of the related Series from time to time Outstanding under the related Bond Indenture and other amounts required to be paid under the related Bond Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

Additional Payments

Trinity Health also agrees to pay certain Additional Payments in connection with the issuance of the Bonds of each Series, including fees of the related Issuer, certain taxes and assessments charged to the related Issuer or to the Bond Trustee, reasonable fees, charges, expenses and indemnities of the related Issuer, the Bond Trustee and the Tender Agent under the related Financing Agreement and the related Bond Indenture, reasonable fees and expenses of such experts engaged by the related Issuer or the Bond Trustee, and all other reasonable and necessary fees and expenses attributable to the related Financing Agreement or the related Series 2005 Obligation.

Prepayment

Trinity Health shall have the right, so long as all amounts which have become due under each Financing Agreement have been paid, at any time or from time to time to prepay all or any part of the related Loan Repayments, pursuant to the terms of the related Bond Indenture. Prepayments of the Bonds of each Series may be made by payments of cash, deposit of United States Government Obligations or surrender of Bonds of such Series, as contemplated by the related Financing Agreement. All such prepayments (and the additional payment of any amount necessary to pay the applicable premium, if any, payable upon the redemption of Bonds of such Series) shall be deposited upon receipt at Trinity Health's direction in (i) the Principal Account, (ii) the Optional Redemption Account of the related Redemption Fund, if such Bonds are to be redeemed pursuant to the related Bond Indenture, or (iii) the Special Redemption Account of the related Redemption Fund (or in such other Bond Trustee escrow account as may be specified by Trinity Health), if such Bonds are to be redeemed pursuant to the related Bond Indenture, and at the request of and as determined by Trinity Health, credited against payments due under the related Financing Agreement or used for the redemption or purchase of Outstanding Bonds of such Series in the manner and subject to the terms and conditions set forth in the related Bond Indenture. Notwithstanding any such prepayment or surrender of Bonds, as long as any Bonds of such Series remain Outstanding or any Additional Payments required to be made under the related Financing Agreement remain unpaid, Trinity Health shall not be relieved of its obligations under the related Financing Agreement.

Obligations Unconditional

The obligations of Trinity Health under the Financing Agreements are absolute and unconditional, notwithstanding any other provisions of the Financing Agreements, the Supplement, the Series 2005 Obligations, the Master Indenture or the Bond Indentures. Until a Financing Agreement is terminated and all payments under a Financing Agreement are made, Trinity Health:

(a) will pay all amounts required without abatement, deduction or set-off except as otherwise expressly provided in such Financing Agreement;

(b) will not suspend or discontinue any payments due for any reason whatsoever, including, without limitation, any right of set-off or counterclaim;

(c) will perform and observe all its other agreements contained in such Financing Agreement; and

(d) except as provided in such Financing Agreement, will not terminate such Financing Agreement for any cause, including, without limiting the generality of the foregoing, damage, destruction or condemnation of the health facilities financed with the proceeds of the related Bonds or any part thereof, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the

related State or any political subdivision of either thereof, or any failure of the related Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with such Financing Agreement.

The rights of the Bond Trustee or any party or parties on behalf of whom the Bond Trustee is acting shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever, whether arising out of any breach of any duty or obligation of the Issuers, the Master Trustee or the Bond Trustee owing to Trinity Health, or by reason of any other indebtedness or liability at any time owing by the Issuers, the Master Trustee or the Bond Trustee to Trinity Health.

Tax Covenant

Trinity Health covenants and agrees for itself and on behalf of the Issuers that it will at all times do and perform, for itself and on behalf of the Issuers, all acts and things permitted by law and the Financing Agreements which are necessary in order for the Bonds to satisfy the requirements of Sections 103 and 141 through 150 of the Code in order to assure that interest paid on the Bonds (or any of them) will be excluded from gross income for federal income tax purposes and will take no action that would result in failure of the Bonds to satisfy those requirements of the Code. Without limiting the generality of the foregoing, Trinity Health agrees to comply, and to cause the other members of the Credit Group to comply, with the provisions of the Non-Arbitrage Certificates. This covenant shall survive payment in full or defeasance of the Bonds.

Events of Default

Each of the following events shall constitute and be referred to as a "Loan Default Event" with respect to each Financing Agreement:

(a) Failure by Trinity Health to pay in full any payment required or by the Obligated Group to pay in full any payment required under the related Series 2005 Obligation when due, whether on an Interest Payment Date or at maturity, upon a date fixed for prepayment, by declaration, upon tender of the Bonds for purchase pursuant to the related Bond Indenture;

(b) If any material representation or warranty made by Trinity Health in such Financing Agreement or made by Trinity Health or any Member of the Obligated Group in any document, instrument or certificate furnished to the Bond Trustee or the related Issuer in connection with the issuance of the related Series 2005 Obligation or the Bonds of the related Series shall at any time prove to have been incorrect in any respect as of the time made and shall not be brought into compliance within a period of sixty (60) days after written notice has been given to Trinity Health by the related Issuer, the related Insurer or the Bond Trustee;

(c) If Trinity Health shall fail to observe or perform any other covenant, condition, agreement or provision in such Financing Agreement on its part to be observed or performed, or shall breach any warranty by Trinity Health contained in such Financing Agreement, for a period of sixty (60) days after written notice, specifying such failure or breach and requesting that it be remedied, has been given to Trinity Health by the related Issuer, the Insurer, or the Bond Trustee; except that, if such failure or breach can be remedied but not within such sixty (60) day period and if Trinity Health has taken all action reasonably possible to remedy such failure or breach within such sixty (60) day period, such failure or breach shall not become a Loan Default Event for so long as Trinity Health shall diligently proceed to remedy such failure or breach in accordance with and subject to any directions or limitations of time established by the Bond Trustee and the Insurer;

(d) Any Event of Default as defined in and under the related Bond Indenture; or

(e) Any Event of Default as defined in and under the Master Indenture.

Remedies on Default

If a Loan Default Event shall occur under a Financing Agreement, then, and in each and every such case during the continuance of such Loan Default Event, the Bond Trustee on behalf of the related Issuer, but subject to the limitations in the related Bond Indenture as to the enforcement of remedies, may (i) with the consent of the Insurer, take such action as it deems necessary or appropriate to collect amounts due under such Financing Agreement, to enforce performance and observance of any obligation or agreement of Trinity Health under such Financing Agreement or to protect the interests securing the same, and, without limiting the generality of the foregoing, with the consent of the Insurer, may, or (ii) at the request of the Insurer, shall: exercise any or all rights and remedies given or available under such Financing Agreement or given by or available under any other instrument of any kind securing Trinity Health's performance under such Financing Agreement (including, without limitation, the related Series 2005 Obligation and the Master Indenture).

Notwithstanding any other provision of any Financing Agreement or any right, power or remedy existing at law or in equity or by statute, the Bond Trustee shall not under any circumstances declare the entire unpaid aggregate amount of the payment due under such Financing Agreement to be immediately due and payable except in accordance with the directions of the Master Trustee if the Master Trustee shall have declared the aggregate principal amount of the related Series 2005 Obligation and all interest thereon immediately due and payable in accordance with the Master Indenture.

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APPENDIX D

SUMMARY OF THE MASTER TRUST INDENTURE (AMENDED AND RESTATED)

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SUMMARY OF THE MASTER INDENTURE

The following summary of certain provisions of the Master Indenture should not be regarded as a full statement of the Master Indenture or of the portions summarized. Reference is made to the Master Indenture in its entirety, a copy of which is on file at the principal corporate trust office of the Master Trustee, for a complete statement of the provisions thereof.

DEFINITIONS

The following defined terms as used in the summary of the Master Indenture in this **APPENDIX D** shall have the following meanings;

"Accelerable Instrument" means any Obligation or any mortgage, indenture, loan agreement or other instrument under which there has been issued or incurred, or by which there is secured, any Indebtedness evidenced by an Obligation, which Obligation or instrument provides that, upon the occurrence of an event of default under such Obligation or instrument, the holder thereof (or a credit enhancer exercising the rights of such holder) may request that the Master Trustee declare such Obligation or Indebtedness due and payable prior to the date on which it would otherwise become due and payable.

"Affiliate" means, as to any Person, a corporation, limited liability company, partnership, joint venture, association, business trust or similar entity (i) which is controlled directly or indirectly by such Person; or (ii) a majority of the members of the Directing Body of which are members of the Directing Body of such Person. For the purposes of this definition, "control" means with respect to: (i) a corporation having stock, the ownership, directly or indirectly, of more than 50% of the securities (as defined in Section 2(l) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation; (ii) a not for profit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the members of the Directing Body of such corporation; or (iii) any other entity, the power to direct the management of such entity through the ownership of at least a majority of its voting securities or the right to designate or elect at least a majority of the members of its Directing Body, by contract or otherwise.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of a Person to have been duly adopted by the Governing Body of such Person and to be in full force and effect on the date of such certification.

"Bondholder," "owner" or ***"holder"*** means, with respect to Related Bonds, the registered owner of any Related Bond.

"Book Value," when used with respect to any Property of a Person, means the value of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited financial statements of such Person prepared in accordance with generally accepted accounting principles, provided that the aggregate value of the Property of one or more Persons shall be calculated in such a manner that no portion of the value of any Property is included more than once.

"Business Day" means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in the State of Indiana or the State of New York are authorized by law to close or (b) a day on which the New York Stock Exchange is closed.

"Capitalized Interest" means amounts irrevocably deposited in escrow to pay interest on Long-Term Indebtedness or Related Bonds and interest earned on such amounts to the extent such interest earned is required to be applied to pay interest on Long-Term Indebtedness or Related Bonds.

"Capitalized Lease" means any lease of real or personal property which, in accordance with generally accepted accounting principles, is required to be capitalized on the balance sheet of the lessee.

"Capitalized Rentals" means, as of the date of determination, the amount at which the aggregate rentals due and to become due under a Capitalized Lease under which a Person is a lessee would be reflected as a liability on a balance sheet of such Person.

"Code" means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code in the Master Indenture shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such section which are applicable to the Related Bonds or the use of the proceeds thereof.

"Consultant" means a professional consulting, financial advisory, accounting, investment banking or commercial banking firm selected by Trinity Health and not unacceptable to the Master Trustee, having the skill and experience necessary to render the particular report required and having a favorable and nationally recognized reputation for such skill and experience, which firm does not control any member of the Credit Group or any Affiliate thereof and is not controlled by or under common control with any member of the Credit Group or an Affiliate thereof.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for Trinity Health, any other member of the Credit Group or the Master Trustee.

"Credit Group" means Trinity Health, any other Members of the Obligated Group and their Affiliates and the Designated Affiliates.

"Current Assets" means cash and cash equivalent deposits, marketable securities, accounts receivable, accrued interest receivables and any other assets of a Person ordinarily considered current assets under generally accepted accounting principles.

"Current Value" means the fair market value of Property, as evidenced by an Officer's Certificate of Trinity Health delivered to the Master Trustee.

"Debt Service Requirements" means, with respect to the period of time for which calculated, the aggregate of the payments required to be made during such period in respect of principal (whether at maturity, as a result of mandatory sinking fund redemption, mandatory prepayment or otherwise) and interest on outstanding Long-Term Indebtedness of each Person or a group of Persons with respect to which calculated; provided that: (i) interest shall be excluded from the determination of the Debt Service Requirements to the extent that Capitalized Interest is available to pay such interest; and (ii) principal of Indebtedness shall be excluded from the calculation of Debt Service Requirements to the extent that (a) amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal and (b) such amounts so required to be applied are sufficient to pay such principal.

"Designated Affiliate" means any Person that is listed on ***Exhibit B*** to the Master Indenture after designation as a Designated Affiliate pursuant to the Master Indenture.

"Directing Body" means with respect to: (i) a corporation having stock (a) the Governing Body of such corporation or (b) the owners, directly or indirectly, of more than 50% of the securities (as defined in Section 2(l) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the members of the Governing Body of such corporation; (ii) a not for profit corporation not having stock, such corporation's member or members if the member or members have complete discretion to elect the members of the Governing Body of such corporation, or the Governing Body of such corporation if the corporation's member or members do not have such discretion; and (iii) any other entity, the Person or group of Persons performing the function of a Governing Body for such entity. For the purposes of this definition, all references to members and Governing Bodies shall be deemed to include all entities performing the function of members or Governing Bodies, however denominated.

"Effective Date" means July 1, 1998, which is the date of the original execution and delivery of the Master Trust Indenture (Amended and Restated).

"Eleventh Supplemental Master Indenture" means Supplemental Indenture Number Eleven dated as of November 1, 2004 between Trinity Health and the Master Trustee, supplementing and amending the Master Indenture and providing for the issuance of the Series 2004 Obligations.

"Escrow Obligations" means (i) with respect to any Obligation which secures a series of Related Bonds, those securities permitted to be used to defease Related Bonds of such series under the Related Bond Indenture or (ii) with respect to any other Obligations, those securities permitted to be used to defease such Obligations under the Supplemental Master Indenture pursuant to which such Obligations were issued.

"Expenses" means, for any period, the aggregate of all expenses calculated under generally accepted accounting principles, including without limitation any taxes, incurred by the Person or group of Persons involved during each period, minus (i) interest on Long-Term Indebtedness, (ii) depreciation and amortization, (iii) any unrealized loss resulting from changes in the value of investment securities, (iv) extraordinary expenses (including without limitation losses on the sale of assets other than in the ordinary course of business and losses on the extinguishment of debt), (v) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate which does not constitute an extraordinary expense and, if such calculation is being made with respect to the Credit Group, excluding any such expenses attributable to transactions between any members of the Credit Group, (vi) losses resulting from any reappraisal, revaluation or write-down of assets and (vii) any items which Trinity Health considers to be non-cash items (in accordance with generally accepted accounting principles), including non-cash losses attributable to any discontinuance of operations.

"Fiscal Year" means, for a Person, any period of twelve consecutive months selected by such Person as its fiscal year. For purposes of making any historical calculations or determinations pursuant to the Master Indenture on a Fiscal Year basis, or for purposes of combinations or consolidation of accounting information provided for in the Master Indenture, with respect to those entities whose actual fiscal year is different from that of Trinity Health, the actual fiscal year of such entities which ended within the Fiscal Year of Trinity Health shall be used; provided, however, that for purposes of making any such calculations or determinations, Trinity Health may designate in writing to the Master Trustee as the "Fiscal Year" any consecutive twelve-month period; and provided, further, that, for purposes of the financial reports prepared pursuant to the Master Indenture, the accounting information for any Affiliates of Trinity Health whose fiscal year is different from that of Trinity Health shall be included in such financial reports in accordance with generally accepted accounting principles. Whenever the Master Indenture refers to a Fiscal Year of a specific entity, such reference shall be to the actual fiscal year adopted by such entity.

"Governing Body" means (i) 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 or (ii) any duly authorized committee of such board to which the relevant powers of such board have been lawfully delegated.

"Guaranty" means all obligations of a Person guaranteeing, or in effect guaranteeing, any Indebtedness or other obligation of any Primary Obligor in any manner, whether directly or indirectly, including but not limited to obligations incurred through an agreement, contingent or otherwise, by such Person (i) to purchase such Indebtedness or obligation or any Property constituting security therefor, (ii) to advance or supply funds (a) for the purchase or payment of such Indebtedness or obligation or (b) to maintain working capital or other balance sheet condition, (iii) to purchase securities or other Property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation of the ability of the Primary Obligor to make payment of the Indebtedness or obligation or (iv) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof.

"Hedging Obligation" means an obligation expressly identified in an Officer's Certificate of Trinity Health delivered to the Master Trustee as being entered into in order to hedge the interest payable on all or a portion of any Indebtedness, 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.

"Historical Debt Service Coverage Ratio" means, for any period of time, the ratio determined by dividing Income Available for Debt Service for that period by the Debt Service Requirements on Long-Term Indebtedness for such period; provided that, when such calculation is being made with respect to the Credit Group, Income Available for Debt Service and Debt Service Requirements shall be determined only with respect to those Persons who are members thereof at the close of such period.

"Income Available for Debt Service" means, for any period, the excess of Revenues over Expenses of the Person or group of Persons involved.

"Indebtedness" means, for any Person, (i) indebtedness (including Non-Recourse Indebtedness) incurred or assumed by such Person for borrowed money or for the acquisition, construction or improvement of Property other than goods acquired in the ordinary course of business of such Person, (ii) Capitalized Rental obligations of such Person and (iii) all Guaranties by such Person; provided that Indebtedness shall not include Indebtedness of one member of the Credit Group to another member of the Credit Group, any Guaranty by any member of the Credit Group of Indebtedness of any other member of the Credit Group, the joint and several liability of any Member of the Obligated Group on Indebtedness issued by another Member of the Obligated Group, any Hedging Obligations or any obligation to repay moneys deposited by patients or others with a member of the Credit Group as security for or as prepayment of the cost of patient care or any rights of residents of life care, elderly housing or similar facilities to endowment or similar funds deposited by or on behalf of such residents.

"Lien" means any mortgage, lease or pledge of, security interest in or lien, charge, restriction or encumbrance on any Property of Trinity Health or a Material Designated Affiliate which secures Indebtedness, other than Indebtedness of Trinity Health or a Material Designated Affiliate to another member of the Credit Group.

"Long-Term Indebtedness" means, with respect to any Person, (i) all Indebtedness of such Person for money borrowed or credit extended which is not Short-Term, (ii) all Indebtedness of such Person incurred or assumed in connection with the acquisition, construction or improvement of Property which is not Short-Term, (iii) Guaranties by such Person of Indebtedness which is not Short-Term and (iv) Capitalized Rentals under Capitalized Leases entered into by such Person; provided, however, that

Indebtedness that could be described by more than one of the foregoing categories shall not in any case be considered more than once for the purpose of any calculation made pursuant to the Master Indenture.

"***Master Indenture"*** means the Master Trust Indenture (Amended and Restated) dated as of July 1, 1998 between Trinity Health and the Master Trustee, as it may from time to time be further amended or supplemented, amended and restated in accordance with the terms of the Master Indenture.

"Master Trustee" means J.P. Morgan Trust Company, N.A., or any successor trustee under the Master Indenture.

"Material Designated Affiliate" means any Designated Affiliate whose total revenues, as set forth in its financial statements for the most recently completed Fiscal Year, exceed 5% of the combined total revenues of the Credit Group, as set forth in the financial statements of the Credit Group for the most recently completed Fiscal Year.

"Member" or ***"Member of the Obligated Group"*** means Trinity Health and any Person that is listed on ***Exhibit A*** to the Master Indenture after designation as a Member of the Obligated Group pursuant to the Master Indenture.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns.

"Non-Recourse Indebtedness" means any Indebtedness the liability for which is effectively limited to Property, Plant and Equipment and the income therefrom, the cost of which Property, Plant and Equipment shall have been financed solely with the proceeds of such Indebtedness, with no recourse, directly or indirectly, to any other Property or the general credit of any Person.

"Obligated Group" means Trinity Health and any other Person which has fulfilled the requirements for entry into the Obligated Group set forth in the Master Indenture and which has not ceased such status pursuant to the Master Indenture. The foregoing notwithstanding, Trinity Health may not withdraw from the Obligated Group.

"Obligation holder," "owner" or ***"holder"*** means, with respect to Obligations, the registered owner of any fully registered or book entry Obligation unless alternative provision is made in the Supplemental Master Indenture pursuant to which such Obligation is issued for establishing ownership of such Obligation, in which case such alternative provision shall control.

"Obligations" means (i) any evidence of Indebtedness and (ii) any obligation evidencing a payment obligation under a Hedging Obligation, each of which has been issued by Trinity Health or another Member of the Obligated Group and authenticated by the Master Trustee pursuant to the Master Indenture.

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

(a) Obligations canceled after purchase or because of payment at or prepayment prior to maturity;

(b) (i) Obligations for the payment or prepayment of which cash or Escrow Obligations shall have been theretofore deposited with the Master Trustee (whether upon or prior to the maturity or prepayment date of any such Obligations); provided that if such Obligations are to be prepaid prior to the maturity thereof, notice of such prepayment shall have been given or

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

(c) Obligations in lieu of which others have been authenticated under the Master Indenture; and

(d) for the purposes of all consents, approvals, waivers and notices required to be obtained or given under the Master Indenture, (i) Obligations held or owned by or for the benefit of a member of the Credit Group and (ii) Obligations evidencing or constituting Hedging Obligations.

Notwithstanding the foregoing, any Obligation securing Related Bonds shall be deemed outstanding if such Related Bonds are outstanding.

"Officer's Certificate" means a certificate signed, in the case of a certificate delivered by a corporation, by an officer authorized to sign by resolution of the Governing Body of such corporation or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person.

"Outstanding Related Bonds" or ***"Related Bonds outstanding"*** means all Related Bonds which have been duly authenticated and delivered by the Related Bond Trustee under the Related Bond Indenture and are deemed outstanding under the terms of such Related Bond Indenture or, if such Related Bond Indenture does not specify when Related Bonds are deemed outstanding thereunder, all such Related Bonds which have been so authenticated and delivered, except:

(a) Related Bonds canceled after purchase or because of payment at or redemption prior to maturity;

(b) Related Bonds for the payment or redemption of which cash or Escrow Obligations of the type described in clause (i) of the definition thereof shall have been theretofore deposited with the Related Bond Trustee or other fiduciary (whether upon or prior to the maturity or redemption date of any such Related Bonds) in accordance with the Related Bond Indenture; provided that, if such Related Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Related Bond Trustee or other fiduciary shall have been made therefor, or waiver of such notice satisfactory in form to the Related Bond Trustee or other fiduciary shall have been filed with the Related Bond Trustee or other fiduciary;

(c) Related Bonds in lieu of which others have been authenticated under the Related Bond Indenture for such series; and

(d) for the purposes of all covenants, approvals, waivers and notices required to be obtained or given under the Related Bond Indenture or Related Loan Agreement, Related Bonds held or owned by or for the benefit of a member of the Credit Group.

"Paying Agent" means the bank or banks, if any, designated pursuant to a Related Bond Indenture to receive and disburse the principal of, premium, if any, and interest on any Related Bonds or designated pursuant to the Supplemental Master Indenture to receive and disburse the principal of, premium, if any, and interest on any Obligations.

"Permitted Encumbrances" means as of any particular time:

(a) any Lien on Property of Trinity Health or any Material Designated Affiliate which was created prior to its acquisition by such Person in order to secure Indebtedness if, at the time of such acquisition, the aggregate amount remaining unpaid on such Indebtedness (whether or not assumed by such Person) does not exceed (i) the fair market value of such Property or (ii) if such Property has been purchased by such Person, the lesser of the acquisition price or the fair market value of such Property;

(b) any Lien on any Property of Trinity Health or any Material Designated Affiliate granted in favor of, or securing Indebtedness to, any other member of the Credit Group;

(c) any Lien on Property if such Lien equally and ratably secures all of the Obligations;

(d) Liens on Property given, granted, bequeathed or devised by the owner thereof existing at the time of such gift, grant, bequest or devise, provided that such Liens secure Indebtedness which is not assumed by Trinity Health or any Material Designated Affiliate, and such Liens attach solely to the Property (including the income therefrom) which is the subject of such gift, grant, bequest or devise;

(e) Liens on the proceeds of Indebtedness (or on income from the investment of such proceeds) that secure payment of such Indebtedness and any security interest in any rebate fund established pursuant to the Code, any depreciation reserve fund, debt service or interest reserve fund, debt service fund or any similar fund established pursuant to the terms of any Supplemental Master Indenture, Related Bond Indenture or Related Loan Document in favor of the Master Trustee, a Related Bond Trustee, a Related Issuer, any creditor in respect of Indebtedness incurred under such Supplemental Master Indenture, Related Bond Indenture or Related Loan Document, or the provider of any liquidity or credit support for such Indebtedness;

(f) Liens on Escrow Obligations;

(g) any Lien on any Related Bond or any evidence of Indebtedness of Trinity Health or any Material Designated Affiliate acquired by or on its behalf by the provider of liquidity or credit support for such Related Bond or Indebtedness;

(h) Liens on accounts receivable of Trinity Health or any Material Designated Affiliate arising as a result of the sale of such accounts receivable with or without recourse, provided that the aggregate sales price of such accounts receivable is not less than 20% of the aggregate face amount of such accounts receivable;

(i) Liens on any Property of Trinity Health or any Material Designated Affiliate existing on the Effective Date of the Master Indenture or existing at the time any Person becomes a Member of the Obligated Group or a Designated Affiliate (if, at the time such Person becomes a Designated Affiliate, such Person constitutes a Material Designated Affiliate); provided that no such Lien (or the amount of Indebtedness secured thereby) may be increased, extended, renewed or modified to apply to any Property of Trinity Health, such Member or such Material Designated

Affiliate not subject to such Lien on such date unless such Lien as so increased, extended, renewed or modified is otherwise permitted under the Master Indenture;

(j) Liens on Property of a Person existing on the date that such Person is merged into or consolidated with Trinity Health or a Material Designated Affiliate, or on the date of a sale, lease or other disposition of the Property of a Person as an entirety or substantially as an entirety to Trinity Health or a Material Designated Affiliate which Liens secure Indebtedness that is assumed by such Member or Material Designated Affiliate as a result of any such merger, consolidation or acquisition; provided that no such Lien may be increased, extended, renewed or modified after such date to apply to any Property of Trinity Health or such Material Designated Affiliate not subject to such Lien on such date unless such Lien as so increased, extended, renewed or modified is otherwise permitted under the Master Indenture;

(k) Liens which secure Non-Recourse Indebtedness;

(l) Liens arising out of Capitalized Leases;

(m) Liens on Property of Trinity Health or a Material Designated Affiliate securing Indebtedness, in addition to the Liens described in the preceding subparagraphs of this definition, if the total aggregate Book Value (or at the option of Trinity Health, Current Value) of the Property subject to a Lien of the type described in this subparagraph (m) does not exceed 25% of the combined value of the total assets of the Credit Group (calculated on the same basis as the value of Property subject to such Lien), as set forth in the financial statements of the Credit Group for the most recently completed Fiscal Year; and

(n) Liens on any Property of Trinity Health or a Material Designated Affiliate given (by mortgage, security interest, conveyance in trust, deed, sale or lease) in order to satisfy the legal or policy requirements of any Related Issuer in connection with the issuance of any Related Bonds.

"Permitted Investments" shall mean (i) with respect to any Obligation which secures a series of Related Bonds, the obligations in which the Related Bond Trustee may invest funds under the Related Bond Indenture, (ii) with respect to any Obligations for which a Supplemental Master Indenture specifies certain permitted investments, the investments so specified and (iii) in all other cases such legal and prudent investments as are agreed upon by Trinity Health and the Master Trustee.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, public body, agency or political subdivision thereof or any other similar entity.

"Primary Obligor" means the Person who is primarily obligated on an obligation which is guaranteed by another Person.

"Property" means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether owned on the Effective Date of the Master Indenture or thereafter acquired.

"Property, Plant and Equipment" means all Property of a Person which is classified as property, plant and equipment under generally accepted accounting principles.

"Rating Agency" means Moody's or Standard & Poor's and their respective successors and assigns.

"Related Bonds" means (i) any revenue bonds or similar obligations issued by any state, commonwealth or territory of the United States or any municipal corporation or other political subdivision formed under the laws thereof or any constituted authority, agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, the proceeds of which are loaned or otherwise made available to any member of the Credit Group in consideration, whether in whole or in part, of the execution, authentication and delivery of an Obligation or Obligations to or upon the order of such issuer and (ii) any revenue or general obligation bonds issued by the Credit Group or any other Person in consideration, whether in whole or in part, of the execution, authentication and delivery of an Obligation or Obligations to the holder of such bonds or to the Related Bond Trustee.

"Related Bond Indenture" means any indenture, bond resolution or similar instrument pursuant to which any series of Related Bonds is issued.

"Related Bond Trustee" means any trustee under any Related Bond Indenture and any successor trustee thereunder or, if no trustee is appointed under a Related Bond Indenture, the Related Issuer.

"Related Issuer" means any issuer of a series of Related Bonds.

"Related Loan Document" means any document or documents (including, without limitation, any loan agreement, lease, sublease or installment sales contract) pursuant to which any proceeds of any Related Bonds are loaned to or advanced to or made available to or for the benefit of any member of the Credit Group, or any Property financed or refinanced with such proceeds is leased, sublet or sold to a member.

"Reporting Group" means, collectively, Trinity Health, any other Members of the Obligated Group, their Affiliates, the Material Designated Affiliates and any other Designated Affiliate which Trinity Health chooses to include in the financial statements prepared pursuant to the Master Indenture. The Reporting Group shall at all times include such Persons that, collectively with Trinity Health, any other the Members of the Obligated Group and their Affiliates, represent at least 75% of the total revenues of the Credit Group, as determined based upon the financial statements of the members of the Reporting Group and the Credit Group for the most recently completed Fiscal Year.

"Revenues" means, for any period, the revenues of any Person, as determined in accordance with generally accepted accounting principles; but excluding, in any event, (i) any unrealized gain resulting from changes in the value of investment securities, (ii) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course, (iii) earnings resulting from any reappraisal, revaluation or write-up of fixed or capital assets or (iv) any revenues recognized from deferred revenues related to entrance fees; provided, however, that, if such calculation is being made with respect to the Credit Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between members of the Credit Group.

"Series 1998 Bond Insurer" means MBIA Insurance Corporation.

"Series 1998 Bonds" means, collectively, the (i) $20,460,000 in original aggregate principal amount of City of Fresno, California Hospital Refunding Revenue Bonds, Series 1998 (Holy Cross Health System Corporation), (ii) $53,385,000 in original aggregate principal amount of Idaho Health Facilities Authority Hospital Revenue Bonds, Series 1998 (Holy Cross Health System Corporation), (iii) $98,520,000 in original aggregate principal amount of Indiana Health Facility Financing Authority Hospital Revenue Bonds, Series 1998 (Holy Cross Health System Corporation) and (iv) $52,140,000 in original aggregate principal amount of County of Franklin, Ohio Hospital Revenue Bonds, Series 1998 (Holy Cross Health System Corporation).

"Short-Term," when used in connection with Indebtedness, means Indebtedness of a Person for money borrowed or credit extended having an original maturity less than or equal to one year and not renewable at the option of the debtor for, or subject to any binding commitment to refinance or otherwise provide for such Indebtedness having, a term greater than one year beyond the date of original issuance.

"Standard & Poor's" means Standard & Poor's, a division of The McGraw-Hill Companies Inc., and its successors and assigns.

"Supplemental Master Indenture" means an indenture amending or supplementing the Master Indenture entered into pursuant to the Master Indenture after the Effective Date of the Master Indenture.

"Tax-Exempt Organization" means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation under Section 501(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

"Thirteenth Supplemental Master Indenture" means Supplemental Indenture Number Thirteen dated as of November 1, 2005 between Trinity Health and the Master Trustee, supplementing and amending the Master Indenture.

"Trinity Health" means Trinity Health Corporation (formerly known as Holy Cross Health System Corporation), an Indiana nonprofit corporation, its successors and assigns and any surviving, resulting or transferee corporation.

All accounting terms not specifically defined in the Master Indenture shall be construed in accordance with generally accepted accounting principles consistently applied, except as otherwise stated in the Master Indenture. If any change in accounting principles from those used in the preparation of the financial statements of Trinity Health as of May 31, 1997 (May 31 being the end of Trinity Health's Fiscal Year prior to Fiscal Year 2000 when the end of its Fiscal Year was changed to June 30) results from the promulgation of rules, regulations, pronouncements and opinions by or required by the Financial Accounting Standards Board, American Institute of Certified Public Accountants or other authoritative bodies that determine generally accepted accounting principles (or successors thereto or agencies with similar functions) and such change results in a change in the accounting terms used in the Master Indenture, the accounting terms used in the Master Indenture shall be deemed modified to reflect such change in accounting principles so that the criteria for evaluating the applicable Person's or group of Persons' financial condition shall be substantially the same after such change as if such change had not been made; provided that the foregoing shall not be deemed to require Trinity Health to restate its audited financial statements as a result of any such change or to refer to any such change in the audited financial statements or the notes thereto in circumstances in which generally accepted accounting principles would prohibit any such restatement or reference to any such change. Any such modification shall be described in an Officer's Certificate of Trinity Health filed with the Master Trustee, which shall contain a certification to the effect that (i) such modifications are occasioned by such a change in accounting principles and (ii) such modifications will not have a materially adverse effect on the Obligation holders or result in materially different criteria for evaluating the applicable Person's or group of Persons' financial condition.

OBLIGATIONS

Issuance of Obligations

Each Obligation or series of Obligations must be issued pursuant to a Supplemental Master Indenture and shall be designated so as to differentiate such Obligation or the Obligations of such series

from any other Obligation or the Obligations of any other series. Unless provided to the contrary in the related Supplemental Master Indenture, Obligations shall be issued by Trinity Health. Obligations shall be issued in such denomination or denominations as shall be authorized in the related Supplemental Master Indenture. The total principal amount of Obligations, the number of Obligations and the number of series of Obligations that may be created under the Master Indenture is not limited. No authorization or approval of any Designated Affiliate or any Affiliate of Trinity Health or any other Members of the Obligated Group is required under the Master Indenture for the issuance of Obligations.

Payment of Obligations

The principal of, premium, if any, and interest on the Obligations shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal, premium, if any, and interest shall be payable at the designated corporate trust office of the Master Trustee or at the designated office of any alternate Paying Agent or Agents named in any such Obligations or in a Related Bond Indenture. Unless contrary provision is made in the Supplemental Master Indenture pursuant to which such Obligation is issued or the election referred to in the next sentence is made, payment of the interest on the Obligations shall be made to the person appearing on the registration books (to be kept by the Master Trustee as Obligation registrar) as the registered owner thereof and shall be paid by check or draft mailed to the registered owner at its address as it appears on such registration books or at such other address as is furnished to the Master Trustee in writing by such holder; provided, however, that any Supplemental Master Indenture creating any Obligation or series of Obligations may provide that interest on such Obligation or series of Obligations may be paid, upon the request of the holder of such Obligation or Obligations, by wire transfer or by such other means as are then commercially reasonable and acceptable to the holder thereof. The foregoing notwithstanding, if Trinity Health so elects, payments on such Obligation shall be made directly by check or draft hand delivered to the holder thereof or its designee or shall be made by wire transfer to such holder or by such other means as are then commercially reasonable and acceptable to the holder thereof, in either case, delivered on or prior to the date on which such payment is due. Except with respect to Obligations directly paid, to or upon the order of the holder thereof, Trinity Health shall deposit with the Master Trustee, prior to each due date of the principal of and premium, if any, or interest on any of the Obligations, a sum sufficient to pay such principal, premium, if any, or interest so becoming due. Any such moneys shall, upon the written request and direction of Trinity Health, be invested in Permitted Investments. Supplemental Master Indentures may create such security, including debt service reserve funds and other funds, as are necessary to provide for payment or to hold moneys deposited for payment or as security for a related series of Obligations or by such other means as are then commercially reasonable and acceptable to the holder thereof.

Security for Obligations

All Obligations issued and outstanding under the Master Indenture shall be equally and ratably secured by the Master Indenture, except as otherwise permitted by the Master Indenture and as specifically provided in the Supplemental Master Indentures pursuant to which such Obligations are issued. Any one or more series of Obligations issued under the Master Indenture may be secured by one or more Liens, provided that such Liens constitute Permitted Encumbrances. Such security need not extend to any other Indebtedness (including any other Obligations or series of Obligations). The Supplemental Master Indenture pursuant to which any one or more series of Obligations is issued may provide for such supplements or amendments to the provisions of the Master Indenture, as are necessary to provide for such security and to permit realization upon such security solely for the benefit of the Obligations entitled thereto.

COVENANTS

Payment of Obligations

Trinity Health unconditionally and irrevocably covenants that it will promptly pay jointly and severally, together with the other Members of the Obligated Group, the principal of, premium, if any, and interest on the Obligations issued under the Master Indenture and any other payments, including payments of the purchase price of any Obligations or Related Bonds tendered or deemed tendered for purchase pursuant to the terms of the related Supplemental Master Indenture, the Related Bond Indenture or the Related Loan Document, as the case may be, which are required by the terms of the Obligations, on the dates, at the times, at the places and in the manner provided in the Obligations, the related Supplemental Master Indentures and the Master Indenture, when and as the same become due and payable, whether at maturity, upon call for prepayment, by acceleration of maturity or otherwise. Notwithstanding any schedule of payments upon the Obligations set forth in the Obligations or the related Supplemental Master Indentures, Trinity Health unconditionally and irrevocably agrees to make payments upon the Obligations and be liable therefor jointly and severally, together with the other Members of the Obligated Group, at the times and in the amounts equal to the amounts to be paid as principal of, premium, if any, and interest on, and the purchase price of, any Related Bonds.

Trinity Health shall cause its Designated Affiliates, and shall use reasonable efforts to cause its Affiliates, subject (in each case) to contractual and organizational limitations, to pay, loan or otherwise transfer to Trinity Health such moneys as are necessary, in the aggregate, to pay the principal of, premium, if any, and interest on all outstanding Obligations and to make any other payments, including payments of the purchase price of any Obligations or Related Bonds tendered or deemed tendered for purchase pursuant to the terms of the related Supplemental Master Indenture, the Related Bond Indenture or the Related Loan Document, as the case may be, which are required by the terms of the Obligations, on the dates, at the times, at the places and in the manner provided in the Obligations, the related Supplemental Master Indentures and the Master Indenture, when and as the same become due and payable, whether at maturity, upon call for prepayment, by acceleration of maturity or otherwise.

Designated Affiliates

Trinity Health may designate any Person as a Designated Affiliate under the Master Indenture, and such Person shall thereafter be deemed a Designated Affiliate until such time as Trinity Health shall declare that such Person will no longer be a Designated Affiliate; provided, however, that Trinity Health may not declare that a Person shall no longer be a Designated Affiliate if an event of default under the Master Indenture, or an event which, with the passage of time or giving of notice, or both, would constitute an event of default under the Master Indenture, shall have occurred and be continuing at the time of such declaration or shall result from any such declaration. Trinity Health may, in its sole discretion, elect to include any Designated Affiliate within the Reporting Group, but shall be under no obligation to so include a Designated Affiliate which is not a Material Designated Affiliate; provided, however, that the Reporting Group shall at all times include such Persons that, collectively with Trinity Health, any other Members of the Obligated Group and their Affiliates, represent at least 75% of the total revenues of the Credit Group, as determined based upon the financial statements of the members of the Reporting Group and the Credit Group for the most recently completed Fiscal Year. With respect to each such Person which is (and so long as such Person is) designated as a Designated Affiliate, Trinity Health shall either (i) maintain, directly or indirectly, control of each Designated Affiliate, including the power to direct the management, policies, disposition of assets and actions of such Designated Affiliate to the extent required to cause such Designated Affiliate to comply with the terms and conditions of the Master Indenture, whether through the ownership of voting securities, partnership interests, membership, reserved powers, the power to appoint members, trustees or directors or otherwise, or (ii) execute and

have in effect such contracts or other agreements that Trinity Health in its sole judgment deems sufficient for it to cause such Designated Affiliate to comply with the terms and conditions of the Master Indenture.

Trinity Health shall cause its Designated Affiliates to comply with the terms and conditions of the Master Indenture which are applicable to the Designated Affiliates and the Related Loan Documents, if any, to which the Designated Affiliates are a party. Trinity Health shall make such reasonable efforts as it deems reasonably necessary to ensure that its Affiliates comply with the terms or conditions of the Master Indenture applicable to Affiliates.

Notwithstanding anything to the contrary in the Master Indenture, no Person shall cease to be a Designated Affiliate if any outstanding Related Bonds have been issued for the benefit of such Person until there is delivered to the Master Trustee an opinion of nationally recognized municipal bond counsel to the effect that, under then existing law, the cessation by such Person of such status will not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable thereon to which such Related Bond would otherwise be entitled.

Entrance into the Obligated Group

Any Person may become a Member of the Obligated Group if:

(a) such Person shall execute and deliver to the Master Trustee a Supplemental Master Indenture, which shall be executed and delivered by Trinity Health and the Master Trustee, containing the agreement of such Person (i) to become a Member of the Obligated Group and thereby to become subject to compliance with all provisions of the Master Indenture and (ii) unconditionally and irrevocably (subject to the right of such Person to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of the Master Indenture) to make payments upon each Obligation jointly and severally, together with the other Members of the Obligated Group, at the times and in the amounts provided in each such Obligation;

(b) Trinity Health shall have approved the admission of such Person into the Obligated Group; and

(c) the Master Trustee shall have received (1) an Officer's Certificate of Trinity Health which demonstrates that, immediately upon such Person becoming a Member of the Obligated Group, the Obligated Group would not, as a result of such transaction, be in default in the performance or observance of any covenant or condition to be performed or observed by them under the Master Indenture, (2) an opinion of Counsel to the effect that (x) the instrument described in paragraph (a) above has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy, fraudulent conveyance, insolvency and other similar laws generally affecting enforcement of creditors' rights and the application of general principles of equity and to the opinion exceptions set forth in the Master Indenture and (y) the addition of such Person to the Obligated Group will not adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status, and (3) if all amounts due or to become due on all Related Bonds have not been paid to the holders thereof and provision for such payment has not been made in such manner as to have resulted in the defeasance of all Related Bond Indentures, an opinion of nationally recognized municipal bond counsel to the effect that, under then existing law the consummation of such transaction, will not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable on such Related Bond otherwise entitled to such exemption.

Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the above-described conditions to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status.

Cessation of Status as a Member of the Obligated Group

Each Member covenants that it will not take any action, corporate or otherwise, which would cause it or any successor thereto into which it is merged or consolidated to cease to be a Member of the Obligated Group unless:

(a) prior to cessation of such status, there is delivered to the Master Trustee an opinion of nationally recognized municipal bond counsel to the effect that, under then existing law, the cessation by the Member of its status as a Member will not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable thereon to which such Bond would otherwise be entitled;

(b) prior to and immediately after such cessation, no event of default exists under the Master Indenture and no event shall have occurred which with the passage of time or the giving of notice, or both, would become such an event of default;

(c) prior to such cessation, there is delivered to the Master Trustee an opinion of Counsel to the effect that the cessation by such Member of its status as a Member will not adversely affect the status as a Tax-Exempt Organization of any other Member which otherwise has such status; and

(d) prior to such cessation, Trinity Health shall have consented thereto.

The foregoing notwithstanding, Trinity Health shall not withdraw from the Obligated Group.

General Covenants

Trinity Health covenants in the Master Indenture to, and shall cause each of its Designated Affiliates to, and shall use reasonable efforts to cause each of its Affiliates to:

(a) except as otherwise expressly provided in the Master Indenture, (i) preserve its corporate or other separate legal existence, (ii) preserve all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs as then conducted and (iii) be qualified to do business and conduct its affairs in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualification; provided, however, that nothing contained in the Master Indenture shall be construed to obligate Trinity Health, or to obligate Trinity Health to cause its Designated Affiliate or to use reasonable efforts to cause its Affiliate, to retain, preserve or keep in effect any rights, licenses or qualifications that, in the sole discretion of Trinity Health, are no longer used or useful in the conduct of its business;

(b) in the case of Trinity Health and any Person which is a Tax-Exempt Organization at the time it becomes a Member of the Obligated Group, so long as the Master Indenture shall remain in force and effect and so long as all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or provision for such payment has not been made, take no action or suffer any action to be taken by others, including any action which would result in the alteration or loss of its status as a Tax-Exempt Organization, which could result in any such Related Bond being declared invalid or result in the interest on any Related Bond, which is otherwise exempt from federal or state income taxation, becoming subject to such taxation; and

(c) at its sole cost and expense, promptly comply with all present and future laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court and the officers thereof which may be applicable to it or any of its affairs, business, operations and Property, any part thereof, any of the streets, alleys, passageways, sidewalks, curbs, gutters, vaults and vault spaces adjoining any of its Property or any part thereof or to the use or manner of use, occupancy or condition of any of its Property or any part thereof if the failure to so comply would have a materially adverse affect on the operations or financial affairs of the Credit Group taken as a whole.

The foregoing notwithstanding, Trinity Health and any other Person which is a Tax-Exempt Organization at the time it becomes a Member of the Obligated Group may (i) cease to be a not for profit corporation or (ii) take actions which could result in the alteration or loss of its status as a Tax-Exempt Organization if prior thereto there is delivered to the Master Trustee an opinion of nationally recognized municipal bond counsel to the effect that such actions would not adversely affect the validity of any Related Bond, the exemption from federal or state income taxation of interest payable on any Related Bond otherwise entitled to such exemption or adversely affect the enforceability in accordance with its terms of the Master Indenture against any Person.

Trinity Health shall not be obligated to, and shall not be obligated to cause its Material Designated Affiliates to, remove any Lien required to be removed under the Master Indenture, to pay or otherwise satisfy and discharge its obligations, including Indebtedness (other than Obligations), or any demands or claims against it, or to comply with any law, ordinance, rule, order, decree, decision, regulation or requirement or any Lien referred to in the Master Indenture, as long as Trinity Health shall, or shall cause its Material Designated Affiliates to, contest, in good faith and at its cost and expense and in its own name and behalf, the amount or validity thereof in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the obligation, Indebtedness, demand, claim or Lien so contested and the sale, forfeiture or loss of its Property or any part thereof; provided that no such contest shall subject any Obligation holder or the Master Trustee to the risk of any liability. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of Trinity Health or the Material Designated Affiliate engaging in such a contest to settle such contest), and in any event Trinity Health shall, and shall cause its Material Designated Affiliate to, save the holders of all Obligations and the Master Trustee harmless from and against all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith) as a result of such contest and shall, promptly after the final determination of such contest or settlement thereof, pay and discharge the amounts which shall be determined to be payable therein, together with all penalties, fines, interests, costs and expenses thereon or incurred in connection therewith.

Insurance

Trinity Health shall, and shall cause each of its Designated Affiliates to, maintain or cause to be maintained at its sole cost and expense, insurance with respect to its Property, the operation thereof and its business against such casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) and in amounts not less than is customary in the case of corporations engaged in the same or similar activities and similarly situated and as is adequate, in the judgment of Trinity Health, to protect its Property and operations.

Historical Debt Service Coverage Ratio

Trinity Health shall calculate the Historical Debt Service Coverage Ratio of the Credit Group for each Fiscal Year. If the Historical Debt Service Coverage Ratio for any Fiscal Year is less than 1.10 to 1.00, Trinity Health shall retain a Consultant to make recommendations with respect to the rates, fees and charges of the members of the Credit Group and their methods of operation and other factors affecting

their financial condition in order to increase such Historical Debt Service Coverage Ratio to at least 1.10 to 1.00. A copy of the Consultant's report and recommendations, if any, shall be filed with the Master Trustee.

Trinity Health shall, and shall cause each of its Designated Affiliates to, and shall use reasonable efforts to cause each of its Affiliates to, follow each recommendation of the Consultant applicable to each of them to the extent feasible (as determined in the reasonable judgment of Trinity Health's Governing Body) and permitted by law. Provided that Trinity Health retains a Consultant and follows, and causes its Designated Affiliates to follow, and uses reasonable efforts to cause its Affiliates to follow, to the extent feasible, the Consultant's recommendations, if any, applicable to each of them, the Credit Group's failure to maintain an Historical Debt Service Coverage Ratio of at least 1.10 to 1.00 shall not constitute an event of default under the Master Indenture or an event which, with the giving of notice or the passage of time, or both, would constitute an event of default under the Master Indenture.

The foregoing provisions notwithstanding, if in any Fiscal Year the Historical Debt Service Coverage Ratio of the Credit Group is less than 1.10 to 1.00, Trinity Health shall not be obligated to retain a Consultant, as aforesaid, and no event of default under the Master Indenture or event which, with the giving of notice or the passage of time, or both, would constitute an event of default under the Master Indenture shall occur as a result of the Credit Group's failure to maintain an Historical Debt Service Coverage Ratio of at least 1.10 to 1.00, if (i) there is filed with the Master Trustee a written report of such Consultant to the effect that applicable laws or regulations have prevented the Credit Group from achieving an Historical Debt Service Coverage Ratio of at least 1.10 to 1.00, and, if requested by the Master Trustee, such report shall be accompanied by a concurring opinion of Counsel as to any conclusions of law supporting the report of such Consultant; (ii) the report of such Consultant indicates that the fees and rates charged by the members of the Credit Group are such that, in the opinion of the Consultant, the Credit Group has generated the maximum amount of Revenues reasonably practicable given such laws or regulations; and (iii) the Historical Debt Service Coverage Ratio for such Fiscal Year was at least 1.00 to 1.00. Trinity Health shall not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if, at the end of the first of such two Fiscal Years, Trinity Health provides to the Master Trustee an Officer's Certificate or an opinion of Counsel to the effect that the applicable laws and regulations underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

Merger, Consolidation, Sale or Conveyance

Trinity Health shall not merge into, or consolidate with, one or more Persons which are not Members of the Obligated Group, 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 of the Obligated Group, unless:

(a) any successor corporation to Trinity Health (including without limitation any purchaser of all or substantially all the Property of Trinity Health) is a corporation organized and existing under the laws of the United States of America or a state thereof and shall execute and deliver to the Master Trustee an appropriate instrument, satisfactory to the Master Trustee, containing the agreement of such successor corporation to assume, jointly and severally, the due and punctual payment of the principal of, premium, if any, and interest on all Obligations according to their tenor and the due and punctual performance and observance of all the covenants and conditions of the Master Indenture to be kept and performed by Trinity Health;

(b) immediately after such merger or consolidation or such sale or conveyance, Trinity Health would not be in default in the performance or observance of any covenant or condition of any Related Loan Document or the Master Indenture; and

(c) if all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or fully provided for, there shall be delivered to the Master Trustee an opinion of nationally recognized municipal bond counsel to the effect that under then existing law the consummation of such merger, consolidation, sale or conveyance will not adversely affect the validity of such Related Bonds or the exemption otherwise available from federal or state income taxation of interest payable on such Related Bonds.

If Trinity Health consolidates or merges with one or more Persons which are not Members of the Obligated Group and is not the survivor, or if Trinity Health sells or conveys substantially all of its Property to any Person which is not a Member of the Obligated Group, then upon such Person or Persons' execution and delivery of the agreement provided for in the Master Indenture, such Person or Persons shall succeed to and be substituted for Trinity Health, with the same effect as if such Person or Persons had been named in the Master Indenture; and Trinity Health shall thereupon be relieved of any further obligation or liabilities under the Master Indenture or the Obligations; and Trinity Health may thereupon or at any time thereafter be dissolved, wound up or liquidated. Any such successor Person or Persons may thereupon issue Obligations in such Person or Persons' own name or names, and Trinity Health shall be released from its obligations under the Master Indenture and under any Obligations if Trinity Health shall have conveyed all of the Property owned by it (or all such Property shall be deemed conveyed by operation of law) to such successor Person or Persons. All Obligations so issued by such successor Person or Persons shall in all respects have the same legal rank and benefit under the Master Indenture as Obligations theretofore or thereafter issued as though such Obligations had been issued by Trinity Health without any such consolidation, merger, sale or conveyance having occurred.

Except as may be expressly provided in any Supplemental Master Indenture, the ability of any of Trinity Health's Designated Affiliates or Affiliates to merge into, or consolidate with, one or more corporations, or allow one or more corporations to merge into it, or sell or convey all or substantively all of its Property to any Person is not limited by the provisions of the Master Indenture.

Notwithstanding anything to the contrary in the Master Indenture, no Designated Affiliate or Affiliate shall engage in any merger or consolidation or any sale or conveyance of substantially all of its assets if any Related Bonds then outstanding have been issued for its benefit unless there is delivered to the Master Trustee an opinion of nationally recognized municipal bond counsel to the effect that, under then existing law, such action will not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable thereon to which such Related Bond would otherwise be entitled.

Financial Statements

Trinity Health shall keep, and shall cause its Designated Affiliates to keep, and shall use reasonable efforts to cause its Affiliates to keep, proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of or in relation to their business and affairs in accordance with generally accepted accounting principles consistently applied, except as may be disclosed in the notes to the audited financial statements referred to in subparagraphs (a) and (b) below, and Trinity Health shall furnish to the Master Trustee:

(a) as soon as practicable after they are available, but in no event more than 180 days after the last day of each Fiscal Year of Trinity Health, a financial report of Trinity Health and its Affiliates for such Fiscal Year certified by a firm of nationally recognized independent certified public accountants selected by Trinity Health. Such financial report shall, at a minimum, cover the results of operations of Trinity Health and its Affiliates for such Fiscal Year, shall include a statement of financial position of Trinity Health and its Affiliates as of the end of such Fiscal Year and shall show in comparative form the financial figures for the preceding Fiscal Year.

Such financial report may be prepared on a consolidated basis or a combined basis in accordance with generally accepted accounting principles and may include entities other than Trinity Health and its Affiliates; provided that, if and only if such financial report includes information regarding such entities, such financial report shall be accompanied by (i) a consolidating or combining statement of financial position for Trinity Health, and its Affiliates and (ii) a consolidating or combining statement of operations for Trinity Health and its Affiliates;

(b) if the financial statements referred to in subparagraph (a) above do not include the results of operations of any Material Designated Affiliate, then, as soon as practicable, but in no event more than 180 days after the end of each of such Material Designated Affiliate's Fiscal Years, a financial report of such Material Designated Affiliate certified by a firm of nationally recognized independent certified public accountants selected by such Material Designated Affiliate. Such financial report shall, at a minimum, cover the results of operations of such Material Designated Affiliate, shall include a statement of financial position of such Material Designated Affiliate as of the end of such Fiscal Year and shall show in comparative form the figures for the preceding Fiscal Year. Such financial report may be prepared on a consolidated basis or a combined basis in accordance with generally accepted accounting principles and may include entities other than such Material Designated Affiliate; provided that, if and only if such financial report includes information regarding such entities, such financial report shall be accompanied by (i) a consolidating or combining statement of financial position and (ii) a consolidating or combining statement of operations for such Material Designated Affiliate;

(c) if financial statements have been delivered to the Master Trustee pursuant to subparagraph (b) above, then, as soon as practicable, but in no event more than 180 days after the last day of each Fiscal Year, a statement of financial position and a statement of operations for the Reporting Group for such Fiscal Year prepared by or at the direction of the chief financial officer of Trinity Health, together with a certificate of such chief financial officer that such financial statements were prepared substantially in accordance with generally accepted accounting principles (except for required consolidations); and

(d) at the time of delivery of the financial report referred to in subparagraph (a) above, an Officer's Certificate of Trinity Health demonstrating the calculation of the Historical Debt Service Coverage Ratio of the Credit Group for such Fiscal Year and stating that the officer executing such certificate has made, or caused to be made, a review of the activities of each member of the Credit Group during the preceding Fiscal Year for purposes of determining whether or not the members of the Credit Group have complied with all of the terms and conditions of the Master Indenture and that each such member has kept, observed, performed and fulfilled each and every covenant, provision and condition of the Master Indenture on its part to be performed and is not in default in the performance or observance of any of the terms, covenants, provisions or conditions of the Master Indenture, or if any such Person shall be in default, such certificate shall specify all such defaults and the nature thereof.

Liens on Property

Trinity Health shall not create or incur or permit to be created or incurred or to exist any Lien on any of its Property, and shall not permit its Material Designated Affiliates to create or incur or permit to be created or incurred or to exist any Lien on any of their Property, except, in each case, for Permitted Encumbrances. The ability of any of Trinity Health's Affiliates or Designated Affiliates not constituting Material Designated Affiliates to create or incur or to permit to be created or incurred or to exist any Lien on their Property is not limited by the provisions of the Master Indenture.

EVENTS OF DEFAULT

Extension of Payment

In case the time for the payment of principal of or the interest on any Obligation shall be extended, whether or not such extension be by or with the consent of the Master Trustee, such principal or such interest so extended shall not be entitled in case of an event of default under the Master Indenture to the benefit or security of the Master Indenture, except subject to the prior payment in full of the principal of all Obligations then outstanding and of all interest thereon, the time for the payment of which shall not have been extended.

Events of Default

Each of the following events is pursuant to the Master Indenture declared an "event of default":

(a) failure of the Obligated Group (i) to pay any installment of interest or principal, or any premium, on any Obligation when the same shall become due and payable, whether at maturity, upon any date fixed for prepayment or by acceleration or otherwise or (ii) to pay, when due, the purchase price of any Obligation or any Related Bond secured by an Obligation which is tendered or deemed tendered for purchase pursuant to the related Supplemental Master Indenture, the Related Bond Indenture or the Related Loan Agreement, as the case may be; or

(b) failure of Trinity Health or any other Member of the Obligated Group to comply with, observe or perform any other covenants, conditions, agreements or provisions of the Master Indenture and to remedy such default within 60 days after written notice thereof to Trinity Health from the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations; provided that, if such default cannot with due diligence and dispatch be wholly cured within 60 days but can be wholly cured, the failure of Trinity Health or such other Member of the Obligated Group to remedy such default within such 60-day period shall not constitute an event of default under the Master Indenture if Trinity Health or such other Member of the Obligated Group shall, immediately upon receipt by Trinity Health of such notice, commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch; or

(c) any representation or warranty made by Trinity Health or any other Member of the Obligated Group in the Master Indenture or in any Supplemental Master Indenture or in any statement or certificate furnished to the Master Trustee or the purchaser of any Obligation or Related Bond in connection with the delivery of any Obligation or sale of any Related Bond or furnished by Trinity Health or any other Member pursuant to the Master Indenture or any Supplemental Master Indenture proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within 60 days after written notice thereof to Trinity Health by the Master Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Obligations; or

(d) default by Trinity Health or any other Member of the Obligated Group in the payment of the principal of, premium, if any, or interest on any Indebtedness for borrowed money (other than Non-Recourse Indebtedness) of Trinity Health or such other Member of the Obligated Group, including without limitation any Indebtedness created by any Related Loan Document, as and when the same shall become due, or an event of default as defined in any mortgage, indenture, loan agreement or other instrument under or pursuant to which there was issued or incurred, or by which there is secured, any such Indebtedness (including any

Obligation) of Trinity Health or any other Member of the Obligated Group, and which default in payment or event of default entitles the holder thereof (or a credit enhancer exercising the rights of such holder) to declare or, in the case of any Obligation, to request that the Master Trustee declare, such Indebtedness due and payable prior to the date on which it would otherwise become due and payable; provided, however, that if such Indebtedness is not evidenced by an Obligation or issued, incurred or secured by or under a Related Loan Document, a default in payment thereunder shall not constitute an "event of default" under the Master Indenture unless the unpaid principal amount of such Indebtedness, together with the unpaid principal amount of all other Indebtedness so in default, exceeds 10% of the Current Assets shown on the financial statements most recently delivered to the Master Trustee pursuant to the Master Indenture; or

(e) any judgment, writ or warrant of attachment or of any similar process shall be entered or filed against Trinity Health or any other Member of the Obligated Group or against any Property of Trinity Health or any other Member of the Obligated Group and remains unvacated, unpaid, unbonded, unstayed or uncontested in good faith for a period of 60 days; provided, however, that none of the foregoing shall constitute an event of default unless the amount of such judgment, writ, warrant of attachment or similar process, together with the amount of all other such judgments, writs, warrants or similar processes so unvacated, unpaid, unbonded, unstayed or uncontested, exceeds 10% of the Current Assets shown on the financial statements most recently delivered to the Master Trustee pursuant to the Master Indenture; or

(f) Trinity Health or any other Member of the Obligated Group admits insolvency or bankruptcy or its inability to pay its debts as they mature, or is generally not paying its debts as such debts become due, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for Trinity Health or such other Member of the Obligated Group, or for the major part of its Property; or

(g) a trustee, custodian or receiver is appointed for Trinity Health or any other Member of the Obligated Group or for the major part of its Property and is not discharged within 90 days after such appointment; or

(h) bankruptcy, dissolution, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by or against Trinity Health or any other Member of the Obligated Group (other than bankruptcy proceedings instituted by Trinity Health or any other Member of the Obligated Group against third parties), and if instituted against Trinity Health or any other Member of the Obligated Group, are allowed against Trinity Health or such other Member of the Obligated Group, or are consented to, or are not dismissed, stayed or otherwise nullified, within 90 days after such institution.

In addition, as long as the Series 1998 Bonds are outstanding and the Series 1998 Bond Insurer is performing its obligations under each existing financial guaranty insurance policy on the Series 1998 Bonds and is not contesting the validity or enforceability of any financial guaranty insurance policy on the Series 1998 Bonds, an event of default shall occur under the Master Indenture in the event that the Historical Debt Service Coverage Ratio of the Credit Group for any Fiscal Year is less than 1.0 to 1.0.

Acceleration

If an event of default has occurred and is continuing, the Master Trustee may, and if requested by either the holders of not less than 25% in aggregate principal amount of outstanding Obligations or the holder of any Accelerable Instrument under which Accelerable Instrument an event of default exists

(which event of default permits the holder thereof to request that the Master Trustee declare such Indebtedness evidenced by an Obligation due and payable prior to the date on which it would otherwise become due and payable), shall, by notice in writing delivered to Trinity Health, declare the entire principal amount of all Obligations then outstanding under the Master Indenture and the interest accrued thereon immediately due and payable, and the entire principal and such interest shall thereupon become immediately due and payable, subject, however, to the provisions of the Master Indenture with respect to waivers of events of default. The foregoing notwithstanding, if the Supplemental Master Indenture creating an Obligation or Obligations includes a requirement that the consent of any credit enhancer, liquidity provider or any other Person be obtained prior to the acceleration of such Obligation or Obligations, the Master Trustee may not accelerate such Obligation or Obligations without the consent of such Person.

Remedies; Rights of Obligation Holders

Upon the occurrence of any event of default under the Master Indenture, the Master Trustee may pursue any available remedy including a suit, action or proceeding at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Obligations outstanding under the Master Indenture and any other sums due under the Master Indenture and may collect such sums in the manner provided by law out of the Property of Trinity Health or any other Member of the Obligated Group, wherever situated.

If an event of default shall have occurred, and if it shall have been requested so to do by either the holders of 25% or more in aggregate principal amount of Obligations outstanding or the holder of an Accelerable Instrument upon whose request pursuant to the Master Indenture the Master Trustee has accelerated the Obligations, the Master Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the Master Indenture as the Master Trustee shall deem most expedient in the interests of the holders of Obligations; provided, however, that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by Counsel (who may be its own Counsel) that the action so requested may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of Obligations not parties to such request.

No remedy by the terms of the Master Indenture conferred upon or reserved to the Master Trustee (or to the holders of Obligations) 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 Master Trustee or to the holders of Obligations under the Master Indenture now or subsequently existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or 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 default or event of default under the Master Indenture, whether by the Master Trustee or by the holders of Obligations, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

Direction of Proceedings by Holders

The holders of a majority in aggregate principal amount of the Obligations then outstanding which have become due and payable in accordance with their terms or have been declared due and payable pursuant to the Master Indenture and have not been paid in full in the case of remedies exercised

to enforce such payment, or the holders of a majority in aggregate principal amount of the Obligations then outstanding in the case of any other remedy, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Master Indenture or for the appointment of a receiver or any other proceedings under the Master Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Master Indenture and that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by Counsel (who may be its own Counsel) that the action so directed may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of the Obligations not parties to such direction. Pending receipt of such direction from the holders of a majority in aggregate principal amount of the Obligations outstanding, such direction may be given in the same manner and with the same effect by the holder of an Accelerable Instrument upon whose request pursuant to the Master Indenture the Master Trustee has accelerated the Obligations.

The foregoing notwithstanding, the holders of a majority in aggregate principal amount of the Obligations then outstanding which are entitled to the exclusive benefit of certain security in addition to that intended to secure all or other Obligations shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Master Indenture, the Supplemental Master Indenture or Indentures pursuant to which such Obligations were issued or so secured or any separate security document in order to realize on such security; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of the Master Indenture.

Application of Moneys

All moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of the Master Indenture (except moneys held for the payment of Obligations called for prepayment or redemption which have become due and payable) shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees of, expenses, liabilities and advances incurred or made by the Master Trustee, any Related Issuers and any Related Bond Trustees, be applied as follows:

(a) Unless the principal of all the Obligations 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 Obligations, 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; and

Second: To the payment to the persons entitled thereto of the unpaid principal and premium, if any, on the Obligations which shall have become due (other than Obligations called for redemption or payment for payment of which moneys are held pursuant to the provisions of the Master Indenture), in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full Obligations due on any particular date, then to the payment ratably, according to the amount of principal and premium due on such date, to the persons entitled thereto without any discrimination or privilege; and

Third: To the payment to the persons entitled thereto of all unpaid principal and interest on Obligations, payment of which was extended by such persons as described in the Master Indenture.

(b) If the principal of all the Obligations shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Obligations without preference or priority of principal, premium or interest over the others, or of any installment of interest over any other installment of interest, or of any Obligation over any other Obligation, ratably, according to the amounts due respectively for principal, premium, if any, and interest to the persons entitled thereto without any discrimination or privilege; provided that no amount shall be paid to any Obligation holder who has extended the time for payment of either principal or interest as described in the Master Indenture until all other principal, premium, if any, and interest owing on Obligations has been paid; and

(c) If the principal of all the Obligations shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Master Indenture, then, subject to the provisions of paragraph (b) of the Master Indenture described above in the event that the principal of all the Obligations shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of the Master Indenture described above.

Whenever moneys are to be applied by the Master Trustee pursuant to the provisions of the Master Indenture, such moneys shall be applied by it at such times, and from time to time, as the Master Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such moneys, it shall fix the date (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 Master Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid Obligation until such Obligation shall be presented to the Master Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Obligations and interest thereon have been paid under the provisions of the Master Indenture and all expenses and charges of the Master Trustee have been paid, any balance remaining shall be paid to the Person entitled to receive the same; provided that, if no other Person shall be entitled thereto, then the balance shall be paid to Trinity Health.

Rights and Remedies of Obligation Holders

No holder of any Obligation shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Master Indenture or for the execution of any trust of the Master Indenture or for the appointment of a receiver or any other remedy under the Master Indenture, unless a default shall have become an event of default and (a) the holders of 25% or more in aggregate principal amount (i) of the Obligations which have become due and payable in accordance with their terms or have been declared due and payable pursuant to the Master Indenture and have not been paid in full in the case of powers exercised to enforce such payment or (ii) the Obligations then outstanding in the case of any other exercise of power or (b) the holder of an Accelerable Instrument upon whose request pursuant to the Master Indenture the Master Trustee has accelerated the Obligations, shall have made a written request to the Master Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers granted under the Master Indenture or to institute such action, suit or proceeding in its own name,

and unless the Master Trustee shall thereafter fail or refuse to exercise the powers granted under the Master Indenture, or to institute such action, suit or proceeding in its own name; and such notification and request are declared pursuant to the Master Indenture in every case at the option of the Master Trustee to be conditions precedent to the execution of the powers and trusts of the Master Indenture and to any action or cause of action for the enforcement of the Master Indenture or for the appointment of a receiver or for any other remedy under the Master Indenture; it being understood and intended that no one or more holders of the Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the Lien of the Master Indenture by its, his or their action or to enforce any right under the Master Indenture except in the manner in the Master Indenture provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Master Indenture and for the equal benefit of the holders of all Obligations outstanding. Nothing in the Master Indenture contained shall, however, affect or impair the right of any holder to enforce the payment of the principal of, premium, if any, and interest on any Obligation at and after the maturity thereof, or the obligation of Trinity Health and any other Members of the Obligated Group to pay the principal, premium, if any, and interest on each of the Obligations issued under the Master Indenture to the respective holders thereof at the time and place, from the source and in the manner in said Obligations expressed.

Termination of Proceedings

In case the Master Trustee shall have proceeded to enforce any right under the Master Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Master Trustee, then and in every case Trinity Health, any other Members of the Obligated Group and the Master Trustee shall, subject to any determination in such proceeding, be restored to their former positions and rights under the Master Indenture and all rights, remedies and powers of the Master Trustee shall continue as if no such proceedings had been taken.

Waiver of Events of Default

If, at any time after the principal of all Obligations shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as provided in the Master Indenture and before the acceleration of any Related Bond, Trinity Health or any other Member of the Obligated Group shall pay or shall deposit with the Master Trustee a sum sufficient to pay all matured installments of interest upon all such Obligations and the principal and premium, if any, of all such Obligations that shall have become due otherwise than by acceleration (with interest on overdue installments of interest and on such principal and premium, if any, at the rate borne by such Obligations to the date of such payment or deposit, to the extent permitted by law) and the expenses of the Master Trustee, and any and all events of default under the Master Indenture, other than the nonpayment of principal of and accrued interest on such Obligations that shall have become due by acceleration, shall have been remedied, then and in every such case the holders of a majority in aggregate principal amount of all Obligations then outstanding and the holder of each Accelerable Instrument who requested the giving of notice of acceleration, by written notice to Trinity Health and the Master Trustee, may waive all events of default and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or affect any subsequent event of default, or shall impair any right consequent thereon.

For the purposes of the Master Indenture, unless a Related Bond Trustee elects to the contrary or contrary provision is made in a Related Bond Indenture, each Related Bond Trustee shall be deemed the holder of the Obligation or Obligations pledged to secure the Related Bonds with respect to which such Related Bond Trustee is acting as trustee. If two or more series of Related Bonds are issued concurrently under the same Related Bond Indenture, the Related Bond Trustee shall be deemed the holder of the

Obligations pledged to secure such Related Bonds to the extent of the principal amount of each such series of Related Bonds to which such Obligations relate.

The foregoing notwithstanding, in the case of any series of Related Bonds supported by credit enhancement, the Related Bond Trustee shall exercise such rights as it may have as a holder of an Obligation in accordance with the directions of such credit enhancer as long as the credit enhancer is performing its obligations under the credit enhancement instrument and is not contesting the validity or enforceability of the credit enhancement instrument.

SUPPLEMENTAL MASTER INDENTURES

Supplemental Master Indentures Not Requiring Consent of Obligation Holders

Trinity Health and the Master Trustee may, without the consent of, or notice to, any of the Obligation holders, but with the consent of the Series 1998 Bond Insurer in the case of an amendment pursuant to subparagraph (m) below as long as the Series 1998 Bonds are outstanding and the Series 1998 Bond Insurer is performing its obligations under each existing financial guaranty insurance policy on the Series 1998 Bonds and is not contesting the validity or enforceability of any financial guaranty insurance policy on the Series 1998 Bonds, amend or supplement the Master Indenture, for any one or more of the following purposes:

(a) to cure any ambiguity or defective provision in or omission from 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 holder of any Obligation;

(b) to grant to or confer upon the Master Trustee for the benefit of the Obligation holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Obligation holders and the Master Trustee, or either of them, to add to the covenants of the Obligated Group for the benefit of the Obligation holders or to surrender any right or power conferred under the Master Indenture upon the Obligated Group;

(c) to assign and pledge under the Master Indenture any additional revenues, properties or collateral;

(d) to evidence the succession of another corporation to the covenants and agreements of Trinity Health or any other Member of the Obligated Group or the Master Trustee, or the successor of any thereof under the Master Indenture;

(e) to permit the qualification of the Master Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute subsequently in effect or to permit the qualification of any Obligations for sale under the securities laws of any state of the United States;

(f) to provide for the refunding or advance refunding of any Obligation;

(g) to provide for the issuance of Obligations;

(h) to reflect the addition of a Member to or the withdrawal of a Member from the Obligated Group in accordance with the Master Indenture;

(i) to provide for the issuance of Obligations with original issue discount, provided such issuance would not materially adversely affect the holders of outstanding Obligations;

(j) to permit an Obligation to be secured by security which is not extended to all Obligation holders;

(k) to permit the issuance of Obligations which are not in the form of a promissory note;

(l) to modify or eliminate any of the terms of the Master Indenture as long as such Supplemental Master Indenture expressly provides that any such modifications or eliminations shall become effective only when there is no Obligation outstanding of any series created prior to the execution of such Supplemental Master Indenture;

(m) to make any other changes to the Master Indenture (other than changes described in the proviso in the first paragraph under the subcaption **"Supplemental Master Indentures Requiring Consent of Obligation Holders"**) as long as the Historical Debt Service Coverage Ratio of the Credit Group for the immediately preceding Fiscal Year was not less than 1.50 to 1.00; provided, however, that no such amendment to the Master Indenture made pursuant to this subparagraph (m) shall (i) lower the Historical Debt Service Coverage Ratio of the Credit Group specified in the Master Indenture below 1.10 to 1.00 or (ii) increase the percentages specified in subparagraphs (h) and (m) of the definition of "Permitted Encumbrances" or otherwise alter the covenants in the Master Indenture respecting Liens; and

(n) to make any other change which does not materially adversely affect the holders of any of the Obligations and does not materially adversely affect the holders of any Related Bonds, including, without limitation, any modification, amendment or supplement to the Master Indenture or any indenture supplemental to the Master Indenture in such manner as to establish or maintain exemption of interest on any Related Bonds under a Related Bond Indenture from federal income taxation under applicable provisions of the Code.

As long as the Series 1998 Bonds are outstanding and the Series 1998 Bond Insurer is performing its obligations under each existing financial guaranty insurance policy on the Series 1998 Bonds and is not contesting the validity or enforceability of any financial guaranty insurance policy on the Series 1998 Bonds, no amendments made pursuant to subparagraph (m) above shall be effective without the consent of the Series 1998 Bond Insurer.

Supplemental Master Indentures Requiring Consent of Obligation Holders

In addition to Supplemental Master Indentures described above, the holders of not less than a majority in aggregate principal amount of the Obligations which are outstanding at the time of the execution of such Supplemental Master Indenture or, in case less than all of the several series of Obligations are affected thereby, the holders of not less than a majority in aggregate principal amount of the Obligations of each series affected thereby which are outstanding under the Master Indenture at the time of the execution of such Supplemental Master Indenture, shall have the right, from time to time, anything contained in the Master Indenture to the contrary notwithstanding, to consent to and approve the execution by Trinity Health and the Master Trustee of such Supplemental Master Indentures as shall be deemed necessary and desirable by Trinity Health for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Master Indenture or in any Supplemental Master Indenture; provided, however, that no such supplement 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 Obligation, without the consent of the holder of such Obligation, (b) a reduction in the aforesaid aggregate principal amount of Obligations the holders of which are required to consent to any such Supplemental Master Indenture, without the consent of the holders of all the

Obligations at the time outstanding which would be affected by the action to be taken, (c) the creation of any Lien ranking prior to or on a parity with the Lien of the Master Indenture with respect to the trust estate, if any, subject thereto or terminate the Lien of the Master Indenture on any Property at any time subject to the Master Indenture or deprive the holder of any Obligation of the security afforded by the Lien of the Master Indenture, except as otherwise permitted by the Master Indenture, or (d) modification of the rights, duties or immunities of the Master Trustee.

SATISFACTION OF MASTER INDENTURE

Defeasance

If the payment or provision for the payment of the entire indebtedness on all Obligations (including, any Obligations owned by Trinity Health or any other Member of the Obligated Group) outstanding shall be made in any one or more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Obligations outstanding, as and when the same become due and payable;

(b) by depositing with the Master Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Obligations outstanding (including the payment of premium, if any, and interest payable on such Obligations to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested at the direction of Trinity Health in Escrow Obligations, in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding at or before their respective maturity dates; it being understood that the investment income on such Escrow Obligations may be used at the direction of Trinity Health for any other purpose permitted by law;

(c) by delivering to the Master Trustee, for cancellation by it, all Obligations outstanding; or

(d) by depositing with the Master Trustee, in trust, before maturity, Escrow Obligations in such amount as the Master Trustee shall determine will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding at or before their respective maturity dates;

and if all other sums payable under the Master Indenture by the Obligated Group shall have been paid or provision for their payment shall have been made, and if any such Obligations are to be redeemed or prepaid prior to the maturity thereof, notice of such redemption or pre-payment shall have been given in accordance with the requirements of the Master Indenture or provisions satisfactory to the Master Trustee shall have been made for the giving of such notice, then in that case, the Master Indenture and the estate and rights granted under the Master Indenture shall cease, determine, and become null and void, and thereupon the Master Trustee shall, upon a written request of Trinity Health, and upon receipt by the Master Trustee of an Officer's Certificate of Trinity Health and an opinion of Counsel acceptable to the Master Trustee, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of the Master Indenture have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging the Master Indenture and the lien of the Master Indenture. The satisfaction and discharge of the Master Indenture shall be without prejudice to the rights of the Master Trustee to charge and be reimbursed by the Obligated Group for any expenditures which it may thereafter incur in connection with the Master Indenture. The foregoing notwithstanding, the liability of

the Obligated Group in respect of the Obligations shall continue, but the holders thereof shall thereafter be entitled to payment only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid.

Any moneys, funds, securities, or other property remaining on deposit under the Master Indenture (other than said Escrow Obligations or other moneys deposited in trust as above provided) shall, upon the full satisfaction of the Master Indenture, forthwith be transferred, paid over and distributed to Trinity Health.

Trinity Health may at any time surrender to the Master Trustee for cancellation by it any Obligations previously authenticated and delivered which Trinity Health may have acquired in any manner whatsoever, and such Obligations, upon such surrender and cancellation, shall be deemed to be paid and retired.

Provision for Payment of a Particular Series of Obligations or Portion Thereof

If the payment or provision for the payment of the entire indebtedness on all Obligations of a particular series or a portion of such a series (including any such Obligations owned by Trinity Health or any other Member of the Obligated Group) shall be made in one of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Obligations of such series or portion thereof outstanding, as and when the same shall become due and payable;

(b) by depositing with the Master Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Obligations of such series or portion thereof outstanding (including the payment of premium, if any, and interest payable on such Obligations to the maturity or redemption date), provided that such moneys, if invested, shall be invested at the direction of Trinity Health in Escrow Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations of such series or portion thereof outstanding at or before their respective maturity dates; it being understood that the investment income on such Escrow Obligations may be used at the direction of Trinity Health for any other purpose permitted by law;

(c) by delivering to the Master Trustee, for cancellation by it, all Obligations of such series or portion thereof outstanding; or

(d) by depositing with the Master Trustee, in trust, Escrow Obligations in such amount as the Master Trustee shall determine will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations of such series or portion thereof at or before their respective maturity dates;

and if all other sums payable under the Master Indenture by the Obligated Group with respect to such series of Obligations or portion thereof shall have been paid or provision for their payment shall have been made, and if any such Obligations of such series or portion thereof are to be redeemed or prepaid prior to the maturity thereof, notice of such redemption or prepayment shall have been given in accordance with the requirements of the Master Indenture or provisions satisfactory to the Master Trustee shall have been made for the giving of such notice, then in that case such Obligations shall cease to be entitled to any lien, benefit or security under the Master Indenture. The foregoing notwithstanding, the liability of the Obligated Group in respect of such Obligations shall continue, but the holders thereof shall

thereafter be entitled to payment (to the exclusion of all other Obligation holders) only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid.

BOND INSURER COVENANTS AND AMENDMENTS

General

The Seventh Supplemental Master Indenture contains certain covenants and amendments to the Master Indenture made for the benefit of the Series 2002 Bond Insurer (the "Series 2002 Bond Insurer Covenants and Amendments"); the Ninth Supplemental Master Indenture contains certain covenants and amendments to the Master Indenture made for the benefit of the Series 2003 Bond Insurer (the "Series 2003 Bond Insurer Covenants and Amendments"); the Eleventh Supplemental Master Indenture contains certain covenants and amendments to the Master Indenture made for the benefit of the Series 2004 Auction Rate Bond Insurer (the "Series 2004 Auction Rate Bond Insurer Covenants and Amendments") and the Series 2004 Weekly Rate Bond Insurer (the "Series 2004 Weekly Rate Bond Insurer Covenants and Amendments,"); and the Thirteenth Supplemental Master Indenture contains certain covenants and amendments to the Master Indenture made for the benefit of the Series 2005 Auction Rate Bond Insurer (the "Series 2005 Auction Rate Bond Insurer Covenants and Amendments") and the Series 2005G/H Bond Insurer (the "Series 2005G/H Bond Insurer Covenants and Amendments" and together with the Series 2002 Bond Insurer Covenants and Amendments, the Series 2003 Bond Insurer Covenants and Amendments, the Series 2004 Auction Rate Bond Insurer Covenants and Amendments, the Series 2004 Weekly Rate Bond Insurer Covenants and the Series 2005 Auction Rate Bond Insurer Covenants and Amendments, the "Bond Insurer Covenants and Amendments"). The summary of the Bond Insurer Covenants and Amendments set forth under the captions "**SEVENTH SUPPLEMENTAL MASTER INDENTURE**," "**NINTH SUPPLEMENTAL MASTER INDENTURE,**" "**ELEVENTH SUPPLEMENTAL MASTER INDENTURE**" and "**THIRTEENTH SUPPLEMENTAL MASTER INDENTURE"** should not be regarded as a full statement of each such Supplemental Master Indenture or of the provisions summarized. Reference is made to each such Supplemental Master Indenture in its entirety, a copy of which is on file at the designated corporate trust office of the Master Trustee, for a complete statement of the provisions thereof.

Definitions

The following defined terms as used in the summary of the Bond Insurer Covenants and Amendments in this **APPENDIX D** shall have the following meanings:

"Affiliate Notes" means the promissory notes of Affiliates of Trinity Health (including without limitation all Material Designated Affiliates of Trinity Health) evidencing loans by Trinity Health pursuant to its internal loan program to such Affiliates and delivered in escrow to the Note Escrow Agent or assigned to the Master Trustee.

"Balloon Indebtedness" means Long-Term Indebtedness 25% or more of the original principal amount of which is due in any consecutive 12-month period, which portion of the principal is not required by the documents pursuant to which such Indebtedness is incurred to be amortized by redemption or prepayment prior to such 12-month period.

"Bond Insurer Event of Default" means a default in the observance of, as the context requires, any of the Series 2002 Bond Insurer Covenants and Amendments, the Series 2003 Bond Insurer Covenants and Amendments, the Series 2004 Auction Rate Bond Insurer Covenants and Amendments, the Series 2004 Weekly Rate Bond Insurer Covenants and Amendments, the Series 2005 Auction Rate Bond Insurer Covenants and Amendments or the Series 2005G/H Bond Insurer Covenants and Amendments.

"Capitalization" means the sum of (1) the unrestricted net assets of the Credit Group plus (2) the Short-Term Indebtedness and Long-Term Indebtedness of the Credit Group, including the current portion of Long-Term Indebtedness.

"Continuing Disclosure Agreement" means the Master Continuing Disclosure Agreement (Amended and Restated) dated as of November 1, 2000, between Trinity Health and J.P. Morgan Trust Company, N.A., as Dissemination Agent, as it may be from time to time supplemented and amended in accordance with its terms.

"Days Cash on Hand", for purposes of making the calculation for any Fiscal Year, means an amount determined by dividing Unrestricted Liquid Funds of the Credit Group, as shown on the Financial Statements for such Fiscal Year, by the amount determined by dividing (1) the expenses of the Credit Group (excluding depreciation and amortization), as shown on the Financial Statements for such Fiscal Year, by (2) 365; and for purposes of making the calculation for any fiscal quarter, means an amount determined by dividing Unrestricted Liquid Funds of the Credit Group, as shown on the financial statements of the Credit Group for such fiscal quarter, by the amount determined by dividing (1) the expenses of the Credit Group (excluding depreciation and amortization), as shown on the financial statements of the Credit Group for such fiscal quarter, by (2) 90.

"Debt Ratio" means the ratio of (1) the aggregate outstanding principal amount of the Short-Term Indebtedness and Long-Term Indebtedness of the Credit Group, including the current portion of Long-Term Indebtedness, to (2) the Capitalization of the Credit Group.

"Eleventh Supplemental Master Indenture" means Supplemental Indenture Number Eleven dated as of November 1, 2004 between Trinity Health and the Master Trustee, supplementing and amending the Master Indenture.

"Financial Statements" means (1) the financial statements most recently delivered to the Master Trustee pursuant to the provisions of the Master Indenture described in paragraph (a) under the caption **"COVENANTS – Financial Statements"** or (2) in the event that financial statements are delivered to the Master Trustee pursuant to the provisions of the Master Indenture described in paragraph (b) under the caption **"COVENANTS – Financial Statements"**, the financial statements most recently delivered to the Master Trustee pursuant to the provisions of the Master Indenture described in paragraph (c) of the caption **"COVENANTS – Financial Statements."**

"Income Available for Debt Service" means the excess of Revenues over Expenses, plus (1) interest on Long-Term Indebtedness, (2) depreciation and amortization and (3) extraordinary gains or expenses, as determined in accordance with generally accepted accounting principles, but excluding unrealized gains or losses resulting from the periodic valuation of investments.

"Lien" (i) with respect to Trinity Health and the Material Designated Affiliates, has the meaning set forth in the Master Indenture and (ii) with respect to the other members of the Credit Group, means any mortgage, lease or pledge of, security interest in or lien, charge, restriction or encumbrance on any Property of such member which secures Indebtedness, other than Indebtedness of such member to another member of the Credit Group.

"Maximum Annual Debt Service Requirement" means the maximum Debt Service Requirements of the Credit Group payable in the then current or any succeeding Fiscal Year. In calculating the Maximum Annual Debt Service Requirement, the following assumptions shall apply:

(i) with respect to Balloon Indebtedness or Put Indebtedness, the amount of the principal payments required to be made in any such Fiscal Year shall be deemed to be that

amount which would be payable in such Fiscal Year if the total principal of such Indebtedness were amortized from the date of calculation over a period of 25 years on a level annual debt service basis; provided, however, that, if the option of the holder to require that such Put Indebtedness be purchased prior to its stated maturity date has expired as of the date of calculation of the Maximum Annual Debt Service Requirement, such Put Indebtedness shall be deemed to be payable in accordance with its terms unless such Put Indebtedness constitutes Balloon Indebtedness;

(ii) the amortization schedule of Balloon Indebtedness and Put Indebtedness and the debt service payable with respect to such Indebtedness shall be calculated on the assumption that such Indebtedness is being issued simultaneously with the calculation of the Maximum Annual Debt Service Requirement; provided, however, that, if the option of the holder to require that such Put Indebtedness be purchased prior to its stated maturity date has expired as of the date of calculation of the Maximum Annual Debt Service Requirement, such Put Indebtedness shall be deemed payable in accordance with its terms unless such Put Indebtedness constitutes Balloon Indebtedness;

(iii) with respect to Variable Rate Indebtedness, including Put Indebtedness and Balloon Indebtedness, the interest on such Indebtedness shall be calculated at the Projected Rate; and

(iv) if, during the Fiscal Year immediately preceding the calculation of the Maximum Annual Debt Service Requirement, a member of the Credit Group has been required under a Guaranty of the Long-Term Indebtedness of a Person that is not a member of the Credit Group to make a payment on such guaranteed Indebtedness, 100% of the annual Debt Service Requirements on such guaranteed Indebtedness in the then current and next succeeding Fiscal Years shall be included in the calculation of the Maximum Annual Debt Service Requirement for such Fiscal Year.

"Maximum Annual Debt Service Coverage Ratio" means the ratio determined by dividing Income Available for Debt Service, as shown on for the most recent Fiscal Year for which Financial Statements have been delivered to the Master Trustee, by the Maximum Annual Debt Service Requirement; provided that Income Available for Debt Service and Maximum Annual Debt Service Requirement shall be determined only with respect to those Persons who were members thereof at the end of such Fiscal Year.

"Note Escrow Agent" means the escrow agent designated by Trinity Health and reasonably acceptable to the Series 2004 Auction Rate Bond Insurer and the Series 2005 Auction Rate Bond Insurer to accept delivery in escrow of the Affiliate Notes prior to any assignment thereof to the Master Trustee.

"Ninth Supplemental Master Indenture" means Supplemental Indenture Number Nine dated as of November 1, 2003 between Trinity Health and the Master Trustee, supplementing and amending the Master Indenture.

"Pledged Property" means all of the following property of Trinity Health, any future Members of the Obligated Group and the Material Designated Affiliates (other than Saint Agnes):

(i) all gross revenues, accounts, bank accounts, general intangibles, contract rights, and all related rights (as such terms are defined in the related Supplemental Master Indenture);

(ii) in the case of Trinity Health, except as specifically provided in the Master Indenture, all moneys and securities held from time to time by the Master Trustee under the

Master Indenture, including, without limitation, moneys and securities held in the funds and accounts established under the Master Indenture; and

(iii) All proceeds, cash proceeds, cash equivalents, products, replacements, additions and improvements to substitutions for, and accessions of any and all property described in subparagraph (i) above.

Provided, however, that in the event that any organizational, legal or contractual obligations of Trinity Health or a Material Designated Affiliate affecting any of the property described in subparagraphs (i) and (iii) above prohibit it from granting a lien on or a security interest in such property, then such property shall be deemed not to be included in such property.

"Projected Rate" means (i) in the case of obligations the interest on which is expected to be exempt from federal income taxes, the interest rate which equals the most recently available Revenue Bond Index as published in *The Bond Buyer* (or such comparable index approved by the applicable Bond Insurer if such Revenue Bond Index is no longer published) for a term most closely approximating the actual term of the Indebtedness in question or, in the case of Balloon Indebtedness or Put Indebtedness, the term determined in accordance with the definition of Maximum Annual Debt Service Requirement and (ii) in all other cases, the projected yield at par of an obligation as set forth in the report of a Consultant. Such report shall state that, in determining the Projected Rate, such Consultant reviewed (to the extent available) the yield evaluation at par of such number of other obligations selected by such Consultant as such Consultant deems appropriate, which obligations such Consultant states are reasonable comparators for utilizing in developing such Projected Rate and which obligations are not entitled to the benefits of any credit enhancement, including without limitation any letter of credit or insurance policy.

"Put Indebtedness" means Long-Term Indebtedness which is payable or required to be purchased by or on behalf of the underlying obligor, at the option of the owner thereof, prior to its stated maturity date.

"Saint Agnes" means Saint Agnes Medical Center, Fresno, California.

"Secured Indebtedness" means (i) Indebtedness of Trinity Health, any future Members of the Obligated Group and the Material Designated Affiliates which is secured by a Lien described in subparagraphs (h) or (m) of the definition of Permitted Encumbrances, other than the Indebtedness described in paragraphs (d) and (e) under the caption **"SEVENTH SUPPLEMENTAL MASTER INDENTURE - Liens on Property,"** and (ii) Indebtedness of the other members of the Credit Group (other than the Indebtedness described in paragraphs (d) and (e) under the caption **"SEVENTH SUPPLEMENTAL MASTER INDENTURE - Liens on Property"**) which is secured by (a) Liens on accounts receivable of any such member arising as a result of the sale of such accounts receivable by such member with or without recourse, provided that the aggregate price received by such member from the sale of such accounts receivable is not less than 20% of the aggregate face amount of such accounts receivable, and (b) Liens on Property of such members, which are in addition to the Liens described in the preceding clause (a), if the total aggregate Book Value (or at the option of Trinity Health, Current Value) of (1) the Property of such members subject to Liens of the type described in this clause (b) and (2) the Property of Trinity Health, any future Members of the Obligated Group and the Material Designated Affiliates described in subparagraph (m) of the definition of Permitted Encumbrances does not exceed 25% of the combined value of the total assets of the Credit Group (calculated on the same basis as the value of Property subject to such Liens), as set forth in the financial statements of the Credit Group for the most recently completed Fiscal Year.

"Secured Note Ratio" means, as of any date, the ratio consisting of a numerator equal to sum of (i) the amount held by Related Bond Trustees in project funds held under Related Bond Indentures,

(ii) the amount held by Trinity Health designated for loans to Affiliates of Trinity Health pursuant to its internal loan program and (ii) the outstanding principal amount of loans by Trinity Health to Affiliates evidenced by Affiliate Notes and a denominator equal to the aggregate principal amount (without duplication) of Obligations outstanding under the Master Indenture and outstanding Trinity Health-Michigan Obligations.

"Series 2002 Bond Insurance Policy" means the Financial Guaranty Insurance Policy issued by the Series 2002 Bond Insurer insuring payment of the principal of and interest on the Series 2002 Insured Bonds.

"Series 2002 Bond Insurer" means Ambac Assurance Corporation.

"Series 2002 Insured Bonds" means, collectively, the (i) $84,825,000 in original aggregate principal amount of Idaho Health Facilities Authority Variable Rate Refunding and Revenue Bonds (Trinity Health Credit Group) Series 2002A and (ii) $45,675,000 in original aggregate principal amount of Idaho Health Facilities Authority Variable Rate Refunding and Revenue Bonds (Trinity Health Credit Group) Series 2002B.

"Series 2002 Obligations" means, collectively, (i) Obligation 2002A (Idaho Health Facilities Authority) and (ii) Obligation 2002B (Idaho Health Facilities Authority).

"Series 2003 Bond Insurance Policies" means the Financial Guaranty Insurance Policies issued by the Series 2003 Bond Insurer insuring payment of the principal of and interest on the Series 2003 Insured Bonds.

"Series 2003 Bond Insurer" means Ambac Assurance Corporation.

"Series 2003 Insured Bonds" means, collectively, the (i) $13,175,000 in original aggregate principal amount of Michigan State Hospital Finance Authority Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2003B, (ii) $105,425,000 in original aggregate principal amount of County of Franklin, Ohio Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2003C, (iii) $17,575,000 in original aggregate principal amount of Iowa Finance Authority Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2003E and (iv) $5,275,000 in original aggregate principal amount of California Statewide Communities Development Authority Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2003H.

"Series 2003 Obligations" means, collectively, (i) Obligation 2003B (Michigan State Hospital Finance Authority), (ii) Obligation 2003C (County of Franklin, Ohio), (iii) Obligation 2003E (Iowa Finance Authority) and (iv) Obligation 2003H (California Statewide Communities Development Authority) issued by Trinity Health pursuant to the Master Indenture, as supplemented and amended by the Ninth Supplemental Master Indenture, and delivered to the Related Bond Trustees as security for the related Series 2003 Insured Bonds.

"Series 2004 Auction Rate Bond Insurance Policies" means the Insurance Policies issued by the Series 2004 Auction Rate Bond Insurer insuring payment of the principal of and interest on the Series 2004 Auction Rate Bonds.

"Series 2004 Auction Rate Bond Insurer" means Financial Security Assurance Inc.

"Series 2004 Auction Rate Insured Bonds" means, collectively, the (i) $14,625,000 in aggregate principal amount of California Statewide Communities Development Authority Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2004A, (ii) $18,400,000 in aggregate principal amount of

Montgomery County, Maryland Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2004D, (iii) $45,250,000 in aggregate principal amount of Michigan State Hospital Finance Authority Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2004E and (iv) $41,475,000 in aggregate principal amount of Michigan State Hospital Finance Authority Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2004F.

"Series 2004 Insured Obligations" means, collectively, (i) Obligation 2004A (California Statewide Communities Development Authority), (ii) Obligation 2004C (County of Franklin, Ohio), (iii) Obligation 2004D (Montgomery County, Maryland), (iv) Obligation 2004E (Michigan State Hospital Finance Authority) and (v) Obligation 2004F (Michigan State Hospital Finance Authority).

"Series 2004 Weekly Rate Bond Insurance Policy" means the Municipal Bond New Issue Insurance Policy insuring payment of the principal of and interest on the Series 2004 Weekly Rate Bonds.

"Series 2004 Weekly Rate Bond Insurer" means Financial Guaranty Insurance Company.

"Series 2004 Weekly Rate Insured Bonds" means the $44,820,000 in aggregate principal amount of County of Franklin, Ohio Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2004C-1 and 2004C-2.

"Series 2005 Auction Rate Bond Insurance Policies" means the Insurance Policies issued by the Series 2005 Auction Rate Bond Insurer insuring payment of the principal of and interest on the Series 2005 Auction Rate Bonds.

"Series 2005 Auction Rate Bond Insurer" means Financial Security Assurance Inc.

"Series 2005 Auction Rate Insured Bonds" means, collectively, the (i) $59,000,000 in aggregate principal amount of County of Franklin, Ohio Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2005B, (ii) $15,875,000 in aggregate principal amount of Iowa Finance Authority Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2005C, and (iii) $31,550,000 in aggregate principal amount of Indiana Health and Educational Facility Financing Authority Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2005I.

"Series 2005 Insured Obligations" means, collectively, (i) Obligation 2005B (County of Franklin, Ohio), (ii) Obligation 2005C (Iowa Finance Authority), (iii) Obligation 2005G (Michigan State Hospital Finance Authority), (iv) Obligation 2005H (Michigan State Hospital Finance Authority), and (v) Obligation 2005I (Indiana Health and Educational Facility Financing Authority).

"Series 2005G/H Bond Insurance Policy" means collectively, the separate Municipal Bond Guaranty Insurance Policies insuring related payment of the principal of and interest on the Series 2005G/H Bonds.

"Series 2005G/H Bond Insurer" means CIFG Assurance North America, Inc.

"Series 2005G/H Insured Bonds" means the $22,000,000 in aggregate principal amount of Michigan State Hospital Finance Authority Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2005G and the $52,965,000 in aggregate principal amount of Michigan State Hospital Finance Authority Variable Rate Revenue Bonds (Trinity Health Credit Group), Series 2005H.

"Seventh Supplemental Master Indenture" means Supplemental Indenture Number Seven dated as of November 1, 2002 between Trinity Health and the Master Trustee, supplementing and amending the Master Indenture.

"Swap Contract" means (a) any swap transaction, basis swap, credit derivative transaction, forward rate transaction, commodity swap, commodity option, forward commodity contract, equity or equity index swap or option, bond or bond price or bond index swap or option or forward bond or forward bond price or forward bond index transaction, interest rate option, cap transaction, floor transaction, collar transaction, or any other similar transaction or any combination of any of the foregoing (including any option 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 transaction of any kind, and the related confirmation, which is subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc.

"Swap Termination Value" means, in respect of any Uninsured Swap Contract, after taking into account the effect of any legally enforceable netting agreement relating to such Uninsured Swap Contract, the transaction value as determined by the mark-to-market value for such Uninsured Swap Contract, based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

"Uninsured Swap Contract" means any Swap Contract pursuant to which any of the obligations of Trinity Health thereunder are not insured by an insurer or other financial institution rated "Aaa" by Moody's or "AAA" by Standard & Poor's.

"Unrestricted Liquid Funds" means unrestricted cash and marketable securities, but excluding: (1) trustee-held funds; (2) borrowed moneys payable in one year or less unless there is a binding commitment from a financial institution rated "A-" or higher by Moody's and Standard & Poor's to repay such borrowed moneys; and (3) funds of the Credit Group on deposit with a financial institution up to the outstanding principal amount of any loans made by such financial institution to the Members of the Credit Group that such financial institution has a right of set-off with respect to. For purposes of the Series 2004 Auction Rate Bond Insurer Covenants and Amendments and the Series 2004 Weekly Rate Bond Insurer Covenants and Amendments, Unrestricted Liquid Funds shall also exclude (1) pension and retirement funds and (2) malpractice litigation reserves and self-insurance funds.

"Unrestricted Revenue Percentage" means the percentage of the Credit Group's unrestricted revenue that is attributable to Trinity Health, any future Members of the Obligated Group and the Designated Affiliates.

"Variable Rate Indebtedness" means any portion of Indebtedness the interest rate on which is not established at the time of incurrence at a fixed or constant rate for its term and shall include, without limitation, any such Indebtedness for which the interest rate is established from time to time based upon a fixed formula, a percentage of an index, an auction or bidding process or the like.

SEVENTH SUPPLEMENTAL MASTER INDENTURE

Series 2002 Bond Insurer Covenants and Amendments

The Seventh Supplemental Master Indenture contains certain covenants and amendments to the Master Indenture made for the benefit of the Series 2002 Bond Insurer that are summarized below (the "Series 2002 Bond Insurer Covenants and Amendments"). The Series 2002 Bond Insurer Covenants and Amendments will be effective only during the period that any of the Series 2002 Insured Bonds are Outstanding (as defined in the Related Bond Indenture for the Series 2002 Insured Bonds) and the Series 2002 Bond Insurer is not in default under the Series 2002 Bond Insurance Policy. During any period in which the Series 2002 Bond Insurer is in default under the Series 2002 Bond Insurance Policy, the Series 2002 Bond Insurer shall not have any rights under the Seventh Supplemental Master Indenture, and Trinity Health shall not be obligated to comply with the Series 2002 Bond Insurer Covenants and

Amendments. The Series 2002 Bond Insurer Covenants and Amendments may only be enforced at the direction of the Series 2002 Bond Insurer and may be amended or waived only with the prior written consent of the Series 2002 Bond Insurer, and without the consent of the Related Bond Trustee for the Series 2002 Insured Bonds, the Master Trustee, the holders of any Obligations or the owners of any Related Bonds.

Debt Service Coverage Ratio

(a) If, at the time that Trinity Health delivers an Officer's Certificate to the Master Trustee pursuant to the Master Indenture, the Maximum Annual Debt Service Requirement in the then current or any future Fiscal Year is more than 110% of the Debt Service Requirements for the Fiscal Year for which such Certificate is being delivered, Trinity Health shall at the same time deliver an additional Officer's Certificate to the Master Trustee demonstrating the Maximum Annual Debt Service Coverage Ratio of the Credit Group for such Fiscal Year. If the Maximum Annual Debt Service Coverage Ratio is less than 1.10 to 1.00, the term "Maximum Annual Debt Service Coverage Ratio" shall be deemed to be substituted for the term "Historical Debt Service Coverage Ratio" wherever it appears in the provisions of the Master Indenture described under the caption **"COVENANTS – Historical Debt Service Coverage Ratio"**, and such provisions shall be deemed to be applicable as so modified.

(b) Any Consultant retained by Trinity Health pursuant to the provisions of the Master Indenture described under the caption **"COVENANTS – Historical Debt Service Coverage Ratio"** shall be acceptable to the Series 2002 Bond Insurer, and a copy of the Consultant's report and recommendations, if any, shall be filed with the Series 2002 Bond Insurer.

(c) If the required ratio for any Fiscal Year is less than 1.10 to 1.00, Trinity Health shall be deemed to be in compliance with the provisions of the Master Indenture described under the caption "**COVENANTS – Historical Debt Service Coverage Ratio"** as long as:

(i) The recommendations of the Consultant retained in accordance with such provisions are complied with by Trinity Health and any future Members of the Obligated Group to the extent required by such provisions; and

(ii) Either (A) the required ratio for such Fiscal Year was not less than 1.00 to 1.00 or (B)(1) the required ratio for such Fiscal Year was less than 1.00 to 1.00, but not less than zero, (2) the required ratio for each of the six Fiscal Years preceding such Fiscal Year was not less than 1.00 to 1.00 and (3) the Unrestricted Liquid Funds for such Fiscal Year were not less than 65% of the Long-Term Indebtedness of the Credit Group for such Fiscal Year.

Liens on Property

The provisions of the Master Indenture described under the caption **"COVENANTS – Liens on Property"** notwithstanding, Trinity Health and any future Members of the Obligated Group shall not (after any such Member joins the Obligated Group) create Liens on Property to secure Indebtedness, and shall not permit the other members of the Credit Group (after any such member joins the Credit Group) to create Liens on Property to secure Indebtedness, except in accordance with the following provisions:

(a) Regardless of the rating assigned to Trinity Health by Standard & Poor's or Moody's, Trinity Health, any future Members of the Obligated Group and the other members of the Credit Group shall not incur (1) any Secured Indebtedness the principal amount of which, together with the aggregate principal amount of Secured Indebtedness outstanding at the time of such incurrence, exceeds 25% of the Long-Term Indebtedness of the Credit Group or (2) any Secured Indebtedness secured by a lien on accounts receivable if the principal amount of such Indebtedness, together with the principal amount of

any then outstanding Indebtedness so secured, exceeds 50% of the net patient accounts receivable of the Credit Group, as shown on the Financial Statements most recently delivered to the Master Trustee pursuant to the Master Indenture and to the Series 2002 Bond Insurer pursuant to the Seventh Supplemental Master Indenture.

(b) As long as Trinity Health is not rated "BBB+" or lower by Standard & Poor's or "Baa1" or lower by Moody's, Trinity Health and any future Members of the Obligated Group may incur, and Trinity Health and any future Members of the Obligated Group may permit the other members of the Credit Group to incur, Secured Indebtedness, provided that the principal amount of such Secured Indebtedness, together with the principal amount of any previously incurred and outstanding Secured Indebtedness, does not exceed the greater of (A) $300 million (including therein the aggregate principal amount of the Mercy Bonds then outstanding) or (B) the sum of the following:

(i) 5% of the then outstanding Long-Term Indebtedness of the Credit Group (including the current portion of such Long-Term Indebtedness), plus

(ii) 25% of the excess of (a) the unrestricted net assets of the Credit Group over (b) the Long-Term Indebtedness (including the current portion) and the Short-Term Indebtedness of the Credit Group then outstanding.

The sum referred to in (B) above shall be calculated (1) annually (unless the principal amount of the outstanding Secured Indebtedness on the date of such calculation is equal to or less than $300 million) as of the last day of each Fiscal Year, on the basis of the Financial Statements for such Fiscal Year and (2) as of any proposed date of incurrence of Secured Indebtedness on the basis of the financial statements of the Credit Group for the most recently completed month for which such financial statements are available. Trinity Health shall include such calculations in an Officer's Certificate which shall be delivered to the Series 2002 Bond Insurer (a) in the case of the annual calculation, concurrently with the delivery of the Financial Statements to the Series 2002 Bond Insurer and (b) in the case of a calculation made in connection with the incurrence of Senior Indebtedness, prior to such incurrence.

Provided, however, that:

(i) if the aggregate outstanding principal amount of the Secured Indebtedness ever exceeds each of (A) and (B) above as of any date that (B) is calculated, then (1) Trinity Health shall calculate the principal amount of such Secured Indebtedness that is in excess of the greater of (A) and (B) (such excess amount being referred to below as "(C)"), and (2) as security for the Series 2002 Obligations, Trinity Health and any future Members of the Obligated Group shall cause the Material Designated Affiliates (other than Saint Agnes) to grant them security interests in their Pledged Property (which security interests shall be assigned to the Master Trustee), and shall grant the Master Trustee security interests in their Pledged Property, which Pledged Property shall have an aggregate Book Value that is equal to "(C)" multiplied by a fraction, the numerator of which is the then outstanding aggregate principal amount of the Series 2002 Obligations and the denominator of which is the then outstanding Long-Term Indebtedness of the Credit Group; provided that, if a Member of the Obligated Group (other than Trinity Health) or a Material Designated Affiliate that granted a security interest in its Pledged Property in accordance with this subparagraph (i) ceases to be a member of the Credit Group, the Master Trustee shall execute and file such instruments as shall terminate its security interest in the Pledged Property of such Member or Material Designated Affiliate; and provided further that, if at the time such security interests are required to be granted pursuant to this subparagraph (i), such security interests may not be granted without a default occurring under provisions of the Master Indenture described under the caption **"COVENANTS – Liens on Property"** or under any other

agreement or instrument secured by an Obligation, such security interests shall secure all Obligations issued under the Master Indenture, including the Series 2002 Obligations; and

(ii) Each time (if any) that security interests are granted pursuant to subparagraph (i) above, the Book Value of any Pledged Property previously pledged pursuant to subparagraph (i) (as determined on the date such pledges were made) shall be subtracted from any excess (or "(C)" above) prior to making the calculation specified in subparagraph (i).

(c) If Trinity Health is rated "BBB+" or lower by Standard & Poor's or "Baa1" or lower by Moody's, the Series 2002 Obligations shall be secured on a parity with any Secured Indebtedness incurred after the occurrence of such rating event.

(d) Liens on Property of a Person created prior to the date that such Person becomes a member of the Credit Group are permitted as long as, on such date, the aggregate principal amount of the Indebtedness secured by all such Liens on Property of all such Persons created pursuant to this subparagraph (d), together with the aggregate principal amount of Indebtedness secured by Liens permitted pursuant to subparagraph (e) immediately below, does not exceed the greater of (1) $300 million or (2) 15% of the unrestricted net assets of the Credit Group (including such Persons).

(e) Liens on Property of a Person created prior to the date that such Person is merged into or consolidated with Trinity Health or another member of the Credit Group, or prior to the date of a sale, lease or other disposition of the Property of a Person as an entirety or substantially as an entirety to Trinity Health or another member of the Credit Group, that secure Indebtedness that is assumed by Trinity Health or another member of the Credit Group as a result of any such merger, consolidation or acquisition are permitted as long as, on such date, the aggregate principal amount of the Indebtedness secured by all such Liens so assumed by Trinity Health or another member of the Credit Group, together with the aggregate principal amount of Indebtedness secured by Liens permitted pursuant to subparagraph (d) immediately above, does not exceed the greater of (1) $300 million or (2) 15% of the unrestricted net assets of the Credit Group (including such Persons); provided that no such Lien permitted pursuant to this subparagraph (e) may be increased, extended, renewed or modified after such date to apply to any Property of Trinity Health or another member of the Credit Group not subject to such Lien on such date unless such Lien, as so increased, extended, renewed or modified, is otherwise permitted under the Master Indenture and subparagraphs (a) or (b) above.

Security Interest in Pledged Property

If Trinity Health is rated "BBB+" or lower by Standard & Poor's or "Baa1" or lower by Moody's, Trinity Health and any future Members of the Obligated Group shall cause the Material Designated Affiliates (other than Saint Agnes) to grant them security interests in their Pledged Property (which security interests shall be assigned to the Master Trustee), and Trinity Health and any future Members of the Obligated Group shall grant the Master Trustee security interests in their Pledged Property, in order to secure all Obligations issued under the Master Indenture, including the Series 2002 Obligations. If a Member of the Obligated Group (other than Trinity Health) or a Material Designated Affiliate that granted a security interest in its Pledged Property in accordance with the provisions of the Master Indenture summarized under this subcaption ceases to be a Credit Group member, the Master Trustee shall execute and file such instruments as shall terminate its security interest in the Pledged Property of such Member or Material Designated Affiliate.

Days Cash on Hand

Trinity Health shall, concurrently with the delivery of the Financial Statements for each Fiscal Year, deliver to the Series 2002 Bond Insurer an Officer's Certificate demonstrating the number of Days

Cash on Hand for such Fiscal Year. If the number of Days Cash on Hand is less than 60, Trinity Health shall, not later than 60 days after the end of each fiscal quarter occurring after such Fiscal Year, deliver an Officer's Certificate to the Series 2002 Bond Insurer demonstrating the number of Days Cash on Hand for such fiscal quarter and describing the steps that Trinity Health is taking to increase the number of Days Cash on Hand to at least 60. Trinity Health shall continue to deliver such Certificates to the Series 2002 Bond Insurer quarterly until the number of Days Cash on Hand is at least 60.

If any Officer's Certificate delivered pursuant to with the provisions of the Master Indenture summarized under this subcaption demonstrates that the number of Days Cash on Hand is less than 45, Trinity Health shall retain a Consultant acceptable to the Series 2002 Bond Insurer to make recommendations with respect to increasing the number of Days Cash on Hand to at least 60. A copy of the Consultant's report and recommendations, if any, shall be filed with the Series 2002 Bond Insurer.

Trinity Health and any future Members of the Obligated Group shall, and shall cause their Designated Affiliates to, and shall use reasonable efforts to cause their Affiliates to, follow each recommendation of the Consultant applicable to them to the extent feasible (as determined in the reasonable judgment of the Governing Bodies of Trinity Health and any future Members of the Obligated Group) and permitted by law. As long as (1) Trinity Health continues to deliver the Officer's Certificates, (2) Trinity Health retains a Consultant and (3) Trinity Health and any future Members of the Obligated Group follow, and cause their Designated Affiliates to follow, and use reasonable efforts to cause their Affiliates to follow, to the extent feasible, the Consultant's recommendations applicable to them, all in accordance with the provisions of the Master Indenture summarized under this subcaption, the Credit Group's failure to maintain 60 Days Cash on Hand shall not constitute a Bond Insurer Event of Default unless the number of Days Cash on Hand, as demonstrated in any such Certificate, is less than 30.

Capitalization

(a) Trinity Health shall, concurrently with the delivery of the Financial Statements for each Fiscal Year, deliver to the Series 2002 Bond Insurer an Officer's Certificate demonstrating the Debt Ratio for such Fiscal Year. If the Debt Ratio is greater than 60%, Trinity Health shall, not later than 60 days after the end of each fiscal quarter occurring after such Fiscal Year, deliver an Officer's Certificate to the Series 2002 Bond Insurer demonstrating the Debt Ratio for such fiscal quarter, describing the steps that Trinity Health is taking to reduce the Debt Ratio to 60% or less and attaching the Credit Group's financial statements for such fiscal quarter to such Certificate. Trinity Health shall continue to deliver such Certificates to the Series 2002 Bond Insurer quarterly until the Debt Ratio is not more than 60%. No Bond Insurer Event of Default shall occur under the provisions of the Master Indenture summarized under this subcaption if the Debt Ratio is greater than 60% in any Fiscal Year or any fiscal quarter following such Fiscal Year as long as Trinity Health delivers the Officer's Certificates in accordance with the provisions of the Master Indenture summarized under this subcaption and the Debt Ratio for the Fiscal Year immediately following such Fiscal Year is equal to or less than 60%.

(b) Trinity Health shall, prior to incurring any Long-Term Indebtedness, deliver to the Series 2002 Bond Insurer an Officer's Certificate to which shall be attached the financial statements Credit Group for the most recently completed month for which financial statements are available. Such Certificate shall demonstrate the Debt Ratio, based upon such financial statements, and shall take into account (1) the principal amount of such Long-Term Indebtedness, (2) any application of the proceeds of such Long-Term Indebtedness to the refinancing of any Long-Term Indebtedness shown on such financial statements and (3) any repayment or defeasance of any Long-Term Indebtedness shown on such financial statements that occurred after the end of the month for which such financial statements were prepared and prior to the delivery of such Certificate. No Long-Term Indebtedness shall be incurred by Trinity Health if the incurrence of such Long-Term Indebtedness would cause the Debt Ratio to be greater than 60%.

Unrestricted Revenue Percentage

Trinity Health shall, concurrently with the delivery of the Financial Statements for each Fiscal Year, deliver to the Series 2002 Bond Insurer an Officer's Certificate demonstrating the Unrestricted Revenue Percentage for such Fiscal Year. If the Unrestricted Revenue Percentage for such Fiscal Year is less than 70%, Trinity Health shall, concurrently with such Officer's Certificate, deliver an Officer's Certificate to the Series 2002 Bond Insurer demonstrating the Unrestricted Revenue Percentage for the period from the last day of such Fiscal Year to and including the most recent month for which the unaudited financial statements of the Credit Group are available. If the Unrestricted Revenue Percentage for such unaudited period is also less than 70%, Trinity Health shall continue to deliver such Certificates to the Series 2002 Bond Insurer for the period from the last day of the most recently completed Fiscal Year to and including the most recent month for which the unaudited financial statements of the Credit Group are available until the Unrestricted Revenue Percentage is at least 70%.

If the Unrestricted Revenue Percentage does not increase to at least 70% by the sixth month after delivery of the first Officer's Certificate required in the preceding paragraph, Trinity Health shall admit one or more Persons as Members of the Obligated Group and/or designate one or more Persons as Designated Affiliates pursuant to the provisions of the Master Indenture as described under the caption **"COVENANTS – Designated Affiliates"** in order to increase the Unrestricted Revenue Percentage to at least 70%.

NINTH SUPPLEMENTAL MASTER INDENTURE

Series 2003 Bond Insurer Covenants and Amendments

The Ninth Supplemental Master Indenture contains certain covenants and amendments to the Master Indenture made for the benefit of the Series 2003 Bond Insurer that are summarized below (the "Series 2003 Bond Insurer Covenants and Amendments"). The Series 2003 Bond Insurer Covenants and Amendments will be effective only during the period that any of the Series 2003 Insured Bonds are Outstanding (as defined in the Related Bond Indentures for the Series 2003 Insured Bonds) and the Series 2003 Bond Insurer is not in default under any of the Series 2003 Bond Insurance Policies. During any period in which the Series 2003 Bond Insurer is in default under any of the Series 2003 Bond Insurance Policies, the Series 2003 Bond Insurer shall not have any rights under the Ninth Supplemental Master Indenture, and Trinity Health shall not be obligated to comply with the Series 2003 Bond Insurer Covenants and Amendments. The Series 2003 Bond Insurer Covenants and Amendments may only be enforced at the direction of the Series 2003 Bond Insurer and may be amended or waived only with the prior written consent of the Series 2003 Bond Insurer, and without the consent of the Related Bond Trustees for the Series 2003 Insured Bonds, the Master Trustee, the holders of any Obligations or the owners of any Related Bonds.

Incorporation of Series 2002 Bond Insurer Covenants and Amendments

The Ninth Supplemental Master Indenture incorporates the Series 2002 Bond Insurer Covenants and Amendments as summarized under the caption "**SEVENTH SUPPLEMENTAL MASTER INDENTURE**" for the benefit of the Series 2003 Bond Insurer, except that references to the "Series 2002 Bond Insurer" and the "Series 2002 Obligations" are replaced with the "Series 2003 Bond Insurer" and the "Series 2003 Obligations," respectively.

Additional Indebtedness

Within 30 days after Trinity Health incurs or issues any Indebtedness subsequent to the date of issuance of the Series 2003 Bonds, Trinity Health shall deliver to the Series 2003 Bond Insurer the

official statement or other offering document prepared in connection with such Indebtedness or, if no such document is prepared, a term sheet for such Indebtedness which, in each case, shall contain a maturity schedule, interest rates, redemption, tender and security provisions, and a description of the terms of any liquidity or credit facilities applicable to such Indebtedness.

Key Officers

Trinity Health shall notify the Series 2003 Bond Insurer if the then acting Chief Executive Officer, Chief Financial Officer or Chief Operating Officer of Trinity Health ceases acting as such or if a new Chief Executive Officer, Chief Financial Officer or Chief Operating Officer is appointed by the Governing Body of Trinity Health. Trinity Health shall deliver such notice in writing to the Series 2003 Bond Insurer within 30 days after any such event occurs.

Notice of Mergers and Changes in Corporate and Obligated Group Membership

Within 10 days after (i) Trinity Health merges with another Person, (ii) another Person becomes a corporate member of Trinity Health or (iii) another Person joins or withdraws from the Obligated Group, Trinity Health shall deliver written notice to the Series 2003 Bond Insurer that such an event has occurred.

Management Letter

Trinity Health shall deliver to the Series 2003 Bond Insurer, together with the Financial Statements for each Fiscal Year to be delivered to the Series 2003 Bond Insurer pursuant the Ninth Supplemental Master Indenture, the management letter for such Fiscal Year which is prepared by the auditors whose report on the Financial Statements accompanies such Financial Statements.

Tenders in Lieu of Redemption

In the event that any bonds issued on behalf of Trinity Health or an Affiliate of Trinity Health which are insured by the Series 2003 Bond Insurer ("Insured Bonds") are subject to redemption at a premium immediately after the required redemption notice has been given and the prescribed notice period has expired, neither Trinity Health nor any Affiliate of Trinity Health shall offer to purchase such Insured Bonds at a premium greater than the applicable redemption premium (rather than redeem such Insured Bonds at the applicable redemption premium) without the prior written consent of the Series 2003 Bond Insurer. Neither Trinity Health nor any Affiliate of Trinity Health shall call any Insured Bonds for redemption unless such Insured Bonds have been defeased prior to such call for redemption without the prior written consent of the Series 2003 Bond Insurer. This provision shall not preclude Trinity Health or an Affiliate of Trinity Health from conducting an open-market tender for Insured Bonds.

ELEVENTH SUPPLEMENTAL MASTER INDENTURE

Series 2004 Auction Rate Bond Insurer Covenants and Amendments

The Eleventh Supplemental Master Indenture contains certain covenants and amendments to the Master Indenture made for the benefit of the Series 2004 Auction Rate Bond Insurer that are summarized below (the "Series 2004 Auction Rate Bond Insurer Covenants and Amendments"). The Series 2004 Auction Rate Bond Insurer Covenants and Amendments will be effective only during the period that any of the Series 2004 Auction Rate Insured Bonds are Outstanding (as defined in the Related Bond Indentures for the Series 2004 Auction Rate Insured Bonds) and the Series 2004 Auction Rate Bond Insurer is not in default under the Series 2004 Auction Rate Bond Insurance Policies. During any period in which the Series 2004 Auction Rate Bond Insurer is in default under any of the Series 2004 Auction

Rate Bond Insurance Policies, the Series 2004 Auction Rate Bond Insurer shall not have any rights under the Eleventh Supplemental Master Indenture, and Trinity Health shall not be obligated to comply with the Series 2004 Auction Rate Bond Insurer Covenants and Amendments. The Series 2004 Auction Rate Bond Insurer Covenants and Amendments may only be enforced at the direction of the Series 2004 Auction Rate Bond Insurer and may be amended or waived only with the prior written consent of the Series 2004 Auction Rate Bond Insurer, and without the consent of the Related Bond Trustees for the Series 2004 Auction Rate Insured Bonds, the Master Trustee, the holders of any Obligations or the owners of any Related Bonds.

Incorporation of Series 2003 Bond Insurer Covenants and Amendments

The Eleventh Supplemental Master Indenture incorporates the Series 2003 Bond Insurer Covenants and Amendments as summarized under the caption "**NINTH SUPPLEMENTAL MASTER INDENTURE**" for the benefit of the Series 2004 Auction Rate Bond Insurer, except that references to the "Series 2003 Bond Insurer" and the "Series 2003 Obligations" are replaced with the "Series 2004 Auction Rate Bond Insurer" and the "related Series 2004 Insured Obligations," respectively, and provided that the Series 2003 Bond Insurer Covenants and Amendments summarized under the subcaptions "**NINTH SUPPLEMENTAL MASTER INDENTURE – Days Cash on Hand**" and "–**Capitalization**" are modified to read as set forth under the subcaptions "–**Days Cash on Hand**" and "–**Capitalization**" below.

Assignment of Affiliate Notes

Trinity Health agrees to deliver to the Note Escrow Agent Affiliate Notes from such Affiliates so that the Secured Note Ratio is equal to or greater than 0.80 to 1.00 and the total unrestricted revenue of such Affiliates is greater than 70% of the unrestricted revenue of Trinity Health, as shown on the Financial Statements of Trinity Health for the most recent Fiscal Year for which Financial Statements are available. Trinity Health shall, concurrently with the delivery of the Financial Statements for each Fiscal Year, deliver to the Series 2004 Auction Rate Bond Insurer an Officer's Certificate demonstrating compliance with such requirements.

If Trinity Health is rated "BBB+" or lower by Standard & Poor's or "Baa1" or lower by Moody's, the Affiliate Notes shall be assigned and pledged to the Master Trustee as security for all Obligations issued under the Master Indenture, including the Series 2004 Insured Obligations. Trinity Health agrees that in the event the Affiliate Notes are so pledged, it will record (or will cause to be recorded) all financing and continuation statements and other documents necessary to perfect or maintain the perfected security interest of the Master Trustee in the Affiliate Notes.

Liens on Property

The provisions of the Master Indenture described under the subcaptions "**COVENANTS – Liens on Property**" and "**SEVENTH SUPPLEMENTAL MASTER INDENTURE – Liens on Property**" notwithstanding, Trinity Health and any future Members of the Obligated Group shall not (after any such Member joins the Obligated Group) create Liens on Property to secure Indebtedness, and shall not permit the other members of the Credit Group (after any such member joins the Credit Group) to create Liens on Property to secure Indebtedness, in an aggregate principal amount exceeding the lesser of (1) 25% of net patient service revenues of the Credit Group or (2) 25% of net property, plant and equipment of the Credit Group, as shown on the financial statements of the Credit Group for the most recently completed month for which such financial statements are available.

Days Cash on Hand

Trinity Health shall, concurrently with the delivery of (i) the unaudited financial statements for each second fiscal quarter of each Fiscal Year, (ii) the unaudited financial statements for each Fiscal Year and (iii) the Financial Statements for each Fiscal Year, deliver to the Series 2004 Auction Rate Bond Insurer an Officer's Certificate demonstrating the number of Days Cash on Hand for (i) the twelve-month period immediately preceding the end of such second fiscal quarter or (ii) such Fiscal Year, as applicable. If the number of Days Cash on Hand is less than 60, Trinity Health shall, not later than 60 days after the end of each fiscal quarter occurring after such twelve-month period or Fiscal Year, as applicable, deliver an Officer's Certificate to the Series 2004 Auction Rate Bond Insurer demonstrating the number of Days Cash on Hand for such fiscal quarter and describing the steps that Trinity Health is taking to increase the number of Days Cash on Hand to at least 60. Trinity Health shall continue to deliver such Certificates to the Series 2004 Auction Rate Bond Insurer quarterly until the number of Days Cash on Hand is at least 60.

If any Officer's Certificate delivered pursuant to the provisions of the Master Indenture summarized under this subcaption demonstrates that the number of Days Cash on Hand is less than 45, Trinity Health shall retain a Consultant acceptable to the Series 2004 Auction Rate Bond Insurer to make recommendations with respect to increasing the number of Days Cash on Hand to at least 60. A copy of the Consultant's report and recommendations, if any, shall be filed with the Series 2004 Auction Rate Bond Insurer.

Trinity Health and any future Members of the Obligated Group shall, and shall cause their Designated Affiliates to, and shall use reasonable efforts to cause their Affiliates to, follow each recommendation of the Consultant applicable to them to the extent feasible (as determined in the reasonable judgment of the Governing Bodies of Trinity Health and any future Members of the Obligated Group) and permitted by law. As long as (1) Trinity Health continues to deliver the Officer's Certificates, (2) Trinity Health retains a Consultant and (3) Trinity Health and any future Members of the Obligated Group follow, and cause their Designated Affiliates to follow, and use reasonable efforts to cause their Affiliates to follow, to the extent feasible, the Consultant's recommendations applicable to them, all in accordance with the provisions of the Eleventh Supplemental Master Indenture summarized under this subcaption, the Credit Group's failure to maintain 60 Days Cash on Hand shall not constitute a Bond Insurer Event of Default unless the number of Days Cash on Hand, as demonstrated in any such Certificate, is less than 30.

Capitalization

Trinity Health shall, concurrently with the delivery of the Financial Statements for each Fiscal Year, deliver to the Series 2004 Auction Rate Bond Insurer an Officer's Certificate demonstrating the Debt Ratio for such Fiscal Year. If the Debt Ratio is greater than 65%, Trinity Health shall retain a Consultant acceptable to the Series 2004 Auction Rate Bond Insurer to make recommendations with respect to reducing the Debt Ratio to 65% or less. A copy of the Consultant's report and recommendations, if any, shall be filed with the Series 2004 Auction Rate Bond Insurer.

Trinity Health and any future Members of the Obligated Group shall, and shall cause their Designated Affiliates to, and shall use reasonable efforts to cause their Affiliates to, follow each recommendation of the Consultant applicable to them to the extent feasible (as determined in the reasonable judgment of the Governing Bodies of Trinity Health and any future Members of the Obligated Group) and permitted by law. As long as (1) Trinity Health continues to deliver the Officer's Certificates, (2) Trinity Health retains a Consultant and (3) Trinity Health and any future Members of the Obligated Group follow, and cause their Designated Affiliates to follow, and use reasonable efforts to cause their Affiliates to follow, to the extent feasible, the Consultant's recommendations applicable to them, all in

accordance with the provisions of the Eleventh Supplemental Master Indenture summarized under this subcaption, the Credit Group's failure to reduce the Debt Ratio to 65% or less shall not constitute a Bond Insurer Event of Default unless the Debt Ratio, as demonstrated in any such Certificate, is greater than 70%.

Trinity Health shall, prior to incurring any Long-Term Indebtedness, deliver to the Series 2004 Auction Rate Bond Insurer an Officer's Certificate to which shall be attached the financial statements of the Credit Group for the most recently completed month for which financial statements are available. Such Certificate shall demonstrate the Debt Ratio, based upon such financial statements, and shall take into account (1) the principal amount of such Long-Term Indebtedness, (2) any application of the proceeds of such Long-Term Indebtedness to the refinancing of any Long-Term Indebtedness shown on such financial statements and (3) any repayment or defeasance of any Long-Term Indebtedness shown on such financial statements that occurred after the end of the month for which such financial statements were prepared and prior to the delivery of such Certificate. No Long-Term Indebtedness shall be incurred by Trinity Health if the incurrence of such Long-Term Indebtedness would cause the Debt Ratio to be greater than 65%.

Unrestricted Revenue Percentage

Trinity Health shall, concurrently with the delivery of the Financial Statements for each Fiscal Year, deliver to the Series 2004 Auction Rate Bond Insurer an Officer's Certificate demonstrating the Unrestricted Revenue Percentage for such Fiscal Year. If the Unrestricted Revenue Percentage for such Fiscal Year is less than 70%, Trinity Health shall, concurrently with such Officer's Certificate, deliver an Officer's Certificate to the Series 2004 Auction Rate Bond Insurer demonstrating the Unrestricted Revenue Percentage for the period from the last day of such Fiscal Year to and including the most recent month for which the unaudited financial statements of the Credit Group are available. If the Unrestricted Revenue Percentage for such unaudited period is also less than 70%, Trinity Health shall continue to deliver such Certificates to the Series 2004 Auction Rate Bond Insurer for the period from the last day of the most recently completed Fiscal Year to and including the most recent month for which the unaudited financial statements of the Credit Group are available until the Unrestricted Revenue Percentage is at least 70%.

If the Unrestricted Revenue Percentage does not increase to at least 70% by the sixth month after delivery of the first Officer's Certificate required as described in the preceding paragraph, Trinity Health shall admit one or more Persons as Members of the Obligated Group and/or designate one or more Persons as Designated Affiliates pursuant to the Master Indenture in order to increase the Unrestricted Revenue Percentage to at least 70%.

Merger, Consolidation, Sale or Conveyance

Trinity Health shall not merge into, or consolidate with, one or more Persons which are not Members of the Obligated Group, 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 which is not a Member of the Obligated Group, unless the Historical Debt Service Coverage Ratio of the Credit Group, based on financial statements most recently reported upon by independent certified public accountants and calculated as if the consolidation, merger, acquisition or conveyance had occurred at the beginning of the Fiscal Year covered by such financial statements, would be at least 1.10 to 1.00.

Entrance into or Withdrawal from Obligated Group

No Person may become a Member of the Obligated Group, and no Member may cease to be a Member of the Obligated Group, unless the Historical Service Coverage Ratio of the Credit Group, based

on financial statements most recently reported upon by independent certified public accountants and calculated as if the admission of such Person into the Obligated Group, or cessation by the Member of its status as a Member, had occurred at the beginning of the Fiscal Year covered by such financial statements, would be at least 1.10 to 1.00.

Swap Contracts

Trinity Health will not enter into any Swap Contract unless the following conditions are met:

(1) the Swap Contract must be entered into as a hedge against swaps outstanding (such as basis swaps or reverse swaps), against Indebtedness then outstanding or to be issued or as a means of achieving a forward refunding or other forward transaction or against assets held at the time of the execution of the Swap Contract (including any reverse swaps);

(2) the Swap Contract must not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement that effectively offsets the exposure from any such element or component;

(3) the long-term debt or claims-paying ability of the counterparty (or the guarantor of such counterparty) to such Swap Contract must have a rating of "A-" or better by Standard & Poor's or a rating of "A3" or better by Moody's;

(4) the Swap Contract must provide that it will not terminate without the consent of Trinity Health for events related to the counterparty to the Swap Contract; and

(5) prior to entering into an Uninsured Swap Contract, Trinity Health shall deliver an Officer's Certificate to the Series 2004 Auction Rate Bond Insurer demonstrating that it has not less than 60 Days Cash on Hand assuming that the Swap Termination Value of the Uninsured Swap Contracts then in effect and the Uninsured Swap Contract to be executed, determined at the time of entry into the proposal Uninsured Swap Contract, is subtracted from Unrestricted Liquid Funds.

Maintenance of Public Ratings

Trinity Health agrees to maintain public ratings from Moody's and Standard & Poor's as long as the Series 2004 Auction Rate Bonds are outstanding. If in any event Trinity Health fails to maintain such public ratings, the Series 2004 Auction Rate Bond Insurer shall have the right to require Trinity Health to maintain private, underlying ratings from Moody's and Standard & Poor's, including any updates thereof. Trinity Health agrees to cooperate in obtaining and updating any such private ratings.

Series 2004 Weekly Rate Bond Insurer Covenants and Amendments

The Eleventh Supplemental Master Indenture contains certain covenants and amendments to the Master Indenture made for the benefit of the Series 2004 Weekly Rate Bond Insurer that are summarized below (the "Series 2004 Weekly Rate Bond Insurer Covenants and Amendments"). The Series 2004 Weekly Rate Bond Insurer Covenants and Amendments will be effective only during the period that any of the Series 2004 Weekly Rate Insured Bonds are Outstanding (as defined in the Related Bond Indenture for the Series 2004 Weekly Rate Insured Bonds) and the Series 2004 Weekly Rate Bond Insurer is not in default under the Series 2004 Weekly Rate Bond Insurance Policy. During any period in which the Series 2004 Weekly Rate Bond Insurer is in default under the Series 2004 Weekly Rate Bond Insurance Policy, the Series 2004 Weekly Rate Bond Insurer shall not have any rights under the Eleventh Supplemental Master Indenture, and Trinity Health shall not be obligated to comply with the Series 2004 Weekly Rate

Bond Insurer Covenants and Amendments. The Series 2004 Weekly Rate Bond Insurer Covenants and Amendments may only be enforced at the direction of the Series 2004 Weekly Rate Bond Insurer and may be amended or waived only with the prior written consent of the Series 2004 Weekly Rate Bond Insurer, and without the consent of the Related Bond Trustee for the Series 2004 Weekly Rate Insured Bonds, the Master Trustee, the holders of any Obligations or the owners of any Related Bonds.

Incorporation of Series 2004 Auction Rate Bond Insurer Covenants and Amendments

The Eleventh Supplemental Master Indenture incorporates the Series 2004 Auction Rate Bond Insurer Covenants and Amendments as summarized under the caption "**ELEVENTH SUPPLEMENTAL MASTER INDENTURE**" for the benefit of the Series 2004 Weekly Rate Bond Insurer, except that references to the "Series 2004 Auction Rate Bond Insurer" and the "Series 2004 Auction Rate Bonds" are replaced with the "Series 2004 Weekly Rate Bond Insurer" and "Series 2004 Weekly Rate Bonds," respectively, and provided that the Series 2004 Auction Rate Bond Insurer Covenants and Amendments summarized under the subcaption "**ELEVENTH SUPPLEMENTAL MASTER INDENTURE-Swap Contracts**" is modified to read as set forth under the subcaption "**- Swap Contracts**" below.

Swap Contracts

(a) Trinity Health will not enter into any Swap Contract unless the following conditions are met:

(1) the Swap Contract must be entered into as a hedge against swaps outstanding (such as basis swaps or reverse swaps), against Indebtedness then outstanding or to be issued or as a means of achieving a forward refunding or other forward transaction or against assets held at the time of the execution of the Swap Contract (including any reverse swaps);

(2) the Swap Contract must not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement that effectively offsets the exposure from any such element or component;

(3) the long-term debt or claims-paying ability of the counterparty (or the guarantor of such counterparty) to such Swap Contract must have a rating of "A" or better by S&P or a rating of "A2" or better by Moody's;

(4) the Swap Contract must provide that it will not terminate without the consent of Trinity Health for events related to the counterparty to the Swap Contract; and

(5) prior to entering into an Uninsured Swap Contract, Trinity Health shall deliver an Officer's Certificate to the Master Trustee and the Series 2004 Weekly Rate Bond Insurer demonstrating that it has not less than 70 Days Cash on Hand assuming that the Swap Termination Value of the Uninsured Swap Contracts then in effect and the Uninsured Swap Contract to be executed, determined at the time of entry into the proposed Uninsured Swap Contract, is subtracted from Unrestricted Liquid Funds.

For purposes of determining Days Cash on Hand as described in the preceding clause (5), in the event that Trinity Health is rated below "A2" by Moody's or "A" by Standard & Poor's, the Swap Termination Value will be calculated assuming a 200 basis point reduction in the fixed rate for a floating to fixed Uninsured Swap Contract and a 200 basis point increase in the fixed rate for a fixed to floating Uninsured Swap Contract.

(b) If Trinity Health is required to post collateral as security for its obligations under any Swap Contract, (i) the posting of such collateral will be treated as a Lien on Property of Trinity Health securing Indebtedness for purposes of the Master Indenture, (ii) the Current Value of such collateral will be subtracted from Unrestricted Liquid Funds for purposes of determining Days Cash on Hand as summarized under the caption "**ELEVENTH SUPPLEMENTAL MASTER INDENTURE—Days Cash on Hand**" and (iii) Trinity Health shall, concurrently with the delivery of its unaudited financial statements for the second fiscal quarter of each Fiscal Year, deliver to the Series 2004 Weekly Rate Bond Insurer an Officer's Certificate demonstrating the number of Days Cash on Hand for such fiscal quarter and otherwise comply with the requirements summarized under the caption "**ELEVENTH SUPPLEMENTAL MASTER INDENTURE—Days Cash on Hand**."

(c) If Trinity Health is rated below "A3" by Moody's or "A-" by Standard & Poor's, 120% of the Swap Termination Value of all Uninsured Swap Contracts will be subtracted from Unrestricted Liquid Funds for purposes of determining Days Cash on Hand as summarized under the caption "**ELEVENTH SUPPLEMENTAL MASTER INDENTURE—Days Cash on Hand**."

(d) If Trinity Health enters into any Swap Contract in order to hedge the interest payable on all or a portion of any Indebtedness of Trinity Health, then such Indebtedness (or portion of such Indebtedness) shall be deemed to bear interest for the period that such Swap Contract is in effect at a net rate that takes into account the interest payable by Trinity Health on such Indebtedness and the payments made or received or to be made or received by Trinity Health under such Swap Contract for purposes of calculating Debt Service Requirements as required by the Master Indenture.

Incorporation of Other Credit Agreements

If Trinity Health is rated below "Baa3" by Moody's or "BBB-" by Standard & Poor's, then to the extent any covenants and agreements set forth in any agreements entered into by Trinity Health with other bond insurers, providers of liquidity facilities, counterparties under Swap Contracts or other providers of credit support (collectively, the "Credit Agreements") are more restrictive than the Series 2004 Weekly Rate Bond Insurer Covenants and Amendments, such covenants and agreements set forth in the Credit Agreements shall be deemed to be incorporated in the Series 2004 Weekly Rate Bond Insurer Covenants and Amendments for the benefit of the Series 2004 Weekly Rate Bond Insurer. Trinity Health shall provide copies of all such Credit Agreements to the Series 2004 Weekly Rate Bond Insurer.

Litigation

Trinity Health shall deliver to the Series 2004 Weekly Rate Bond Insurer, together with the Financial Statements for each Fiscal Year, an Officer's Certificate to the effect that (i) no litigation is pending or, to the knowledge of Trinity Health, threatened that, if adversely determined, would have a material adverse effect on the Credit Group's operations, properties or financial condition and (ii) no member of the Credit Group is subject to any investigation or proceeding by any governmental entity concerning any matter in an amount in excess of $10,000,000, except in either case as set forth in such Officer's Certificate.

Notice of Rating Downgrade and Material Events

Trinity Health shall notify the Series 2004 Weekly Rate Bond Insurer (i) if Trinity Health is rated below "Baa3" by Moody's or "BBB-" by Standard & Poor's or (ii) of the occurrence of any material event as specified in the Continuing Disclosure Agreement, in either case within 10 days of any such event.

THIRTEENTH SUPPLEMENTAL MASTER INDENTURE

Series 2005 Auction Rate Bond Insurer Covenants and Amendments

The Thirteenth Supplemental Master Indenture contains certain covenants and amendments to the Master Indenture made for the benefit of the Series 2005 Auction Rate Bond Insurer that are summarized below (the "Series 2005 Auction Rate Bond Insurer Covenants and Amendments"). The Series 2005 Auction Rate Bond Insurer Covenants and Amendments will be effective only during the period that any of the Series 2005 Auction Rate Insured Bonds are Outstanding (as defined in the Related Bond Indentures for the Series 2005 Auction Rate Insured Bonds) and the Series 2005 Auction Rate Bond Insurer is not in default under the Series 2005 Auction Rate Bond Insurance Policies. During any period in which the Series 2005 Auction Rate Bond Insurer is in default under any of the Series 2005 Auction Rate Bond Insurance Policies, the Series 2005 Auction Rate Bond Insurer shall not have any rights under the Thirteenth Supplemental Master Indenture, and Trinity Health shall not be obligated to comply with the Series 2005 Auction Rate Bond Insurer Covenants and Amendments. The Series 2005 Auction Rate Bond Insurer Covenants and Amendments may only be enforced at the direction of the Series 2005 Auction Rate Bond Insurer and may be amended or waived only with the prior written consent of the Series 2005 Auction Rate Bond Insurer, and without the consent of the Related Bond Trustees for the Series 2005 Auction Rate Insured Bonds, the Master Trustee, the holders of any Obligations or the owners of any Related Bonds.

Incorporation of Series 2004 Bond Insurer Covenants and Amendments

The Thirteenth Supplemental Master Indenture contains the same covenants as summarized above relating to the Series 2004 Bond Insurer Covenants and Amendments as summarized under the caption "**ELEVENTH SUPPLEMENTAL MASTER INDENTURE**" for the benefit of the Series 2005 Auction Rate Bond Insurer, except that references to the "Series 2004 Bond Insurer" and the "Series 2004 Obligations" are replaced with the "Series 2005 Auction Rate Bond Insurer" and the "related Series 2005 Insured Obligations," respectively, and provided that the Series 2004 Bond Insurer Covenants and Amendments summarized under the subcaptions "**ELEVENTH SUPPLEMENTAL MASTER INDENTURE – Days Cash on Hand**" and "–**Capitalization**" are modified to read as set forth under the subcaptions "–**Days Cash on Hand**" and "–**Capitalization**" below.

Assignment of Affiliate Notes

Trinity Health agrees to deliver to the Note Escrow Agent Affiliate Notes from such Affiliates so that the Secured Note Ratio is equal to or greater than 0.80 to 1.00 and the total unrestricted revenue of such Affiliates is greater than 70% of the unrestricted revenue of Trinity Health, as shown on the Financial Statements of Trinity Health for the most recent Fiscal Year for which Financial Statements are available. Trinity Health shall, concurrently with the delivery of the Financial Statements for each Fiscal Year, deliver to the Series 2005 Auction Rate Bond Insurer an Officer's Certificate demonstrating compliance with such requirements.

If Trinity Health is rated "BBB+" or lower by Standard & Poor's or "Baa1" or lower by Moody's, the Affiliate Notes shall be assigned and pledged to the Master Trustee as security for all Obligations issued under the Master Indenture, including the Series 2005 Insured Obligations. Trinity Health agrees that in the event the Affiliate Notes are so pledged, it will record (or will cause to be recorded) all financing and continuation statements and other documents necessary to perfect or maintain the perfected security interest of the Master Trustee in the Affiliate Notes.

Liens on Property

The provisions of the Master Indenture described under the subcaptions "**COVENANTS – Liens on Property**" and "**SEVENTH SUPPLEMENTAL MASTER INDENTURE – Liens on Property**" notwithstanding, Trinity Health and any future Members of the Obligated Group shall not (after any such Member joins the Obligated Group) create Liens on Property to secure Indebtedness, and shall not permit the other members of the Credit Group (after any such member joins the Credit Group) to create Liens on Property to secure Indebtedness, in an aggregate principal amount exceeding the lesser of (1) 25% of net patient service revenues of the Credit Group or (2) 25% of net property, plant and equipment of the Credit Group, as shown on the financial statements of the Credit Group for the most recently completed month for which such financial statements are available.

Days Cash on Hand

Trinity Health shall, concurrently with the delivery of (i) the unaudited financial statements for each second fiscal quarter of each Fiscal Year, (ii) the unaudited financial statements for each Fiscal Year and (iii) the Financial Statements for each Fiscal Year, deliver to the Series 2005 Auction Rate Bond Insurer an Officer's Certificate demonstrating the number of Days Cash on Hand for (i) the twelve-month period immediately preceding the end of such second fiscal quarter or (ii) such Fiscal Year, as applicable. If the number of Days Cash on Hand is less than 60, Trinity Health shall, not later than 60 days after the end of each fiscal quarter occurring after such twelve-month period or Fiscal Year, as applicable, deliver an Officer's Certificate to the Series 2005 Auction Rate Bond Insurer demonstrating the number of Days Cash on Hand for such fiscal quarter and describing the steps that Trinity Health is taking to increase the number of Days Cash on Hand to at least 60. Trinity Health shall continue to deliver such Certificates to the Series 2005 Auction Rate Bond Insurer quarterly until the number of Days Cash on Hand is at least 60.

If any Officer's Certificate delivered pursuant to the provisions of the Master Indenture summarized under this subcaption demonstrates that the number of Days Cash on Hand is less than 45, Trinity Health shall retain a Consultant acceptable to the Series 2005 Auction Rate Bond Insurer to make recommendations with respect to increasing the number of Days Cash on Hand to at least 60. A copy of the Consultant's report and recommendations, if any, shall be filed with the Series 2005 Auction Rate Bond Insurer.

Trinity Health and any future Members of the Obligated Group shall, and shall cause their Designated Affiliates to, and shall use reasonable efforts to cause their Affiliates to, follow each recommendation of the Consultant applicable to them to the extent feasible (as determined in the reasonable judgment of the Governing Bodies of Trinity Health and any future Members of the Obligated Group) and permitted by law. As long as (1) Trinity Health continues to deliver the Officer's Certificates, (2) Trinity Health retains a Consultant and (3) Trinity Health and any future Members of the Obligated Group follow, and cause their Designated Affiliates to follow, and use reasonable efforts to cause their Affiliates to follow, to the extent feasible, the Consultant's recommendations applicable to them, all in accordance with the provisions of the Thirteenth Supplemental Master Indenture summarized under this subcaption, the Credit Group's failure to maintain 60 Days Cash on Hand shall not constitute a Bond Insurer Event of Default unless the number of Days Cash on Hand, as demonstrated in any such Certificate, is less than 30.

Capitalization

Trinity Health shall, concurrently with the delivery of the Financial Statements for each Fiscal Year, deliver to the Series 2005 Auction Rate Bond Insurer an Officer's Certificate demonstrating the Debt Ratio for such Fiscal Year. If the Debt Ratio is greater than 65%, Trinity Health shall retain a

Consultant acceptable to the Series 2005 Auction Rate Bond Insurer to make recommendations with respect to reducing the Debt Ratio to 65% or less. A copy of the Consultant's report and recommendations, if any, shall be filed with the Series 2005 Auction Rate Bond Insurer.

Trinity Health and any future Members of the Obligated Group shall, and shall cause their Designated Affiliates to, and shall use reasonable efforts to cause their Affiliates to, follow each recommendation of the Consultant applicable to them to the extent feasible (as determined in the reasonable judgment of the Governing Bodies of Trinity Health and any future Members of the Obligated Group) and permitted by law. As long as (1) Trinity Health continues to deliver the Officer's Certificates, (2) Trinity Health retains a Consultant and (3) Trinity Health and any future Members of the Obligated Group follow, and cause their Designated Affiliates to follow, and use reasonable efforts to cause their Affiliates to follow, to the extent feasible, the Consultant's recommendations applicable to them, all in accordance with the provisions of the Thirteenth Supplemental Master Indenture summarized under this subcaption, the Credit Group's failure to reduce the Debt Ratio to 65% or less shall not constitute a Bond Insurer Event of Default unless the Debt Ratio, as demonstrated in any such Certificate, is greater than 70%.

Trinity Health shall, prior to incurring any Long-Term Indebtedness, deliver to the Series 2005 Auction Rate Bond Insurer an Officer's Certificate to which shall be attached the financial statements of the Credit Group for the most recently completed month for which financial statements are available. Such Certificate shall demonstrate the Debt Ratio, based upon such financial statements, and shall take into account (1) the principal amount of such Long-Term Indebtedness, (2) any application of the proceeds of such Long-Term Indebtedness to the refinancing of any Long-Term Indebtedness shown on such financial statements and (3) any repayment or defeasance of any Long-Term Indebtedness shown on such financial statements that occurred after the end of the month for which such financial statements were prepared and prior to the delivery of such Certificate. No Long-Term Indebtedness shall be incurred by Trinity Health if the incurrence of such Long-Term Indebtedness would cause the Debt Ratio to be greater than 65%.

Unrestricted Revenue Percentage

Trinity Health shall, concurrently with the delivery of the Financial Statements for each Fiscal Year, deliver to the Series 2005 Auction Rate Bond Insurer an Officer's Certificate demonstrating the Unrestricted Revenue Percentage for such Fiscal Year. If the Unrestricted Revenue Percentage for such Fiscal Year is less than 70%, Trinity Health shall, concurrently with such Officer's Certificate, deliver an Officer's Certificate to the Series 2005 Auction Rate Bond Insurer demonstrating the Unrestricted Revenue Percentage for the period from the last day of such Fiscal Year to and including the most recent month for which the unaudited financial statements of the Credit Group are available. If the Unrestricted Revenue Percentage for such unaudited period is also less than 70%, Trinity Health shall continue to deliver such Certificates to the Series 2005 Auction Rate Bond Insurer for the period from the last day of the most recently completed Fiscal Year to and including the most recent month for which the unaudited financial statements of the Credit Group are available until the Unrestricted Revenue Percentage is at least 70%.

If the Unrestricted Revenue Percentage does not increase to at least 70% by the sixth month after delivery of the first Officer's Certificate required as described in the preceding paragraph, Trinity Health shall admit one or more Persons as Members of the Obligated Group and/or designate one or more Persons as Designated Affiliates pursuant to the Master Indenture in order to increase the Unrestricted Revenue Percentage to at least 70%.

Merger, Consolidation, Sale or Conveyance

Trinity Health shall not merge into, or consolidate with, one or more Persons which are not Members of the Obligated Group, 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 which is not a Member of the Obligated Group, unless the Historical Debt Service Coverage Ratio of the Credit Group, based on financial statements most recently reported upon by independent certified public accountants and calculated as if the consolidation, merger, acquisition or conveyance had occurred at the beginning of the Fiscal Year covered by such financial statements, would be at least 1.10 to 1.00.

Entrance into or Withdrawal from Obligated Group

No Person may become a Member of the Obligated Group, and no Member may cease to be a Member of the Obligated Group, unless the Historical Service Coverage Ratio of the Credit Group, based on financial statements most recently reported upon by independent certified public accountants and calculated as if the admission of such Person into the Obligated Group, or cessation by the Member of its status as a Member, had occurred at the beginning of the Fiscal Year covered by such financial statements, would be at least 1.10 to 1.00.

Swap Contracts

Trinity Health will not enter into any Swap Contract unless the following conditions are met:

(1) the Swap Contract must be entered into as a hedge against swaps outstanding (such as basis swaps or reverse swaps), against Indebtedness then outstanding or to be issued or as a means of achieving a forward refunding or other forward transaction or against assets held at the time of the execution of the Swap Contract (including any reverse swaps);

(2) the Swap Contract must not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement that effectively offsets the exposure from any such element or component;

(3) the long-term debt or claims-paying ability of the counterparty (or the guarantor of such counterparty) to such Swap Contract must have a rating of "A-" or better by Standard & Poor's or a rating of "A3" or better by Moody's;

(4) the Swap Contract must provide that it will not terminate without the consent of Trinity Health for events related to the counterparty to the Swap Contract; and

(5) prior to entering into an Uninsured Swap Contract, Trinity Health shall deliver an Officer's Certificate to the Series 2005 Auction Rate Bond Insurer demonstrating that it has not less than 60 Days Cash on Hand assuming that the Swap Termination Value of the Uninsured Swap Contracts then in effect and the Uninsured Swap Contract to be executed, determined at the time of entry into the proposal Uninsured Swap Contract, is subtracted from Unrestricted Liquid Funds.

Maintenance of Public Ratings

Trinity Health agrees to maintain public ratings from Moody's and Standard & Poor's as long as the Series 2005 Auction Rate Bonds are outstanding. If in any event Trinity Health fails to maintain such public ratings, the Series 2005 Auction Rate Bond Insurer shall have the right to require Trinity Health to

maintain private, underlying ratings from Moody's and Standard & Poor's, including any updates thereof. Trinity Health agrees to cooperate in obtaining and updating any such private ratings.

Series 2005G/H Bond Insurer Covenants and Amendments

The Thirteenth Supplemental Master Indenture contains certain covenants and amendments to the Master Indenture made for the benefit of the Series 2005G/H Bond Insurer that are summarized below (the "Series 2005G/H Bond Insurer Covenants and Amendments"). The Series 2005G/H Bond Insurer Covenants and Amendments will be effective only during the period that any of the Series 2005G/H Insured Bonds are Outstanding (as defined in the Related Bond Indenture for the Series 2005G/H Insured Bonds) and the Series 2005G/H Bond Insurer is not in default under the Series 2005G/H Bond Insurance Policy. During any period in which the Series 2005G/H Bond Insurer is in default under the Series 2005G/H Bond Insurance Policy, the Series 2005G/H Bond Insurer shall not have any rights under the Thirteenth Supplemental Master Indenture, and Trinity Health shall not be obligated to comply with the Series 2005G/H Bond Insurer Covenants and Amendments. The Series 2005G/H Bond Insurer Covenants and Amendments may only be enforced at the direction of the Series 2005G/H Bond Insurer and may be amended or waived only with the prior written consent of the Series 2005G/H Bond Insurer, and without the consent of the Related Bond Trustee for the Series 2005G/H Insured Bonds, the Master Trustee, the holders of any Obligations or the owners of any Related Bonds.

Incorporation of Series 2005 Auction Rate Bond Insurer Covenants and Amendments

The Thirteenth Supplemental Master Indenture contains the same covenants as summarized above relating to the Series 2005 Auction Rate Bond Insurer Covenants and Amendments as summarized under the caption "**THIRTEENTH SUPPLEMENTAL MASTER INDENTURE**" for the benefit of the Series 2005G/H Bond Insurer, except that references to the "Series 2005 Auction Rate Bond Insurer" and the "Series 2005 Auction Rate Bonds" are replaced with the "Series 2005G/H Bond Insurer" and "Series 2005G/H Bonds," respectively, and provided that the Series 2005 Auction Rate Bond Insurer Covenants and Amendments summarized under the subcaption "**THIRTEENTH SUPPLEMENTAL MASTER INDENTURE-Swap Contracts**" is modified to read as set forth under the subcaption "**- Swap Contracts**" below.

Swap Contracts

(a) Trinity Health will not enter into any Swap Contract unless the following conditions are met:

(1) the Swap Contract must be entered into as a hedge against swaps outstanding (such as basis swaps or reverse swaps), against Indebtedness then outstanding or to be issued or as a means of achieving a forward refunding or other forward transaction or against assets held at the time of the execution of the Swap Contract (including any reverse swaps);

(2) the Swap Contract must not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement that effectively offsets the exposure from any such element or component;

(3) the Swap Contract is executed at fair market value;

(4) the long-term debt or claims-paying ability of the counterparty (or the guarantor of such counterparty) to such Swap Contract must have a rating of "A" or better by S&P or a rating of "A2" or better by Moody's;

(5) the Swap Contract must provide that it will not terminate without the consent of Trinity Health for events related to the counterparty to the Swap Contract; and

(6) prior to entering into an Uninsured Swap Contract, Trinity Health shall deliver an Officer's Certificate to the Master Trustee and the Series 2005G/H Bond Insurer demonstrating that it has not less than 70 Days Cash on Hand assuming that the Swap Termination Value of the Uninsured Swap Contracts then in effect and the Uninsured Swap Contract to be executed, determined at the time of entry into the proposed Uninsured Swap Contract, is subtracted from Unrestricted Liquid Funds.

(b) If Trinity Health is required to post collateral as security for its obligations under any Swap Contract, (i) the posting of such collateral will be treated as a Lien on Property of Trinity Health securing Indebtedness for purposes of the Master Indenture, (ii) the Current Value of such collateral will be subtracted from Unrestricted Liquid Funds for purposes of determining Days Cash on Hand as summarized under the caption "**THIRTEENTH SUPPLEMENTAL MASTER INDENTURE—Days Cash on Hand**" and (iii) Trinity Health shall, concurrently with the delivery of its unaudited financial statements for the second fiscal quarter of each Fiscal Year, deliver to the Series 2005G/H Bond Insurer an Officer's Certificate demonstrating the number of Days Cash on Hand for such fiscal quarter and otherwise comply with the requirements summarized under the caption "**THIRTEENTH SUPPLEMENTAL MASTER INDENTURE—Days Cash on Hand**."

Notice of Rating Downgrade and Material Events

Trinity Health shall notify the Series 2005G/H Bond Insurer (i) if Trinity Health is rated below "Baa3" by Moody's or "BBB-" by Standard & Poor's or (ii) of the occurrence of any material event as specified in the Continuing Disclosure Agreement, in either case within 10 days of any such event.

Accounting

Upon the occurrence of an Event of Default, the Series 2005G/H Bond Insurer will have the right to direct an accounting with respect to the revenues of the Credit Group and the property and rights to property which are subject to the security interest granted under the Master Indenture at the Corporation's expense and the Corporation's failure to comply with such direction within thirty (30) days after written notice of the direction from the Series 2005G/H Bond Insurer shall be deemed a default hereunder.

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EXHIBIT E

AUCTION PROCEDURES

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ARTICLE I

Definitions

In addition to the words and terms elsewhere defined in the Indentures, the following words and terms as used in this EXHIBIT E and elsewhere in the applicable Indenture shall have the following meanings with respect to Bonds in an Auction Rate Period unless the context or use indicates another or different meaning or intent:

"Agent Member" means a member of, or participant in, the Securities Depository who will act on behalf of a Bidder.

"All Hold Rate" means, as of any Auction Date, 60% of the Auction Index in effect on such Auction Date.

"Auction" means each periodic implementation of the Auction Procedures.

"Auction Agent" means the auctioneer appointed in accordance with Section 301 or 302 of this EXHIBIT E.

"Auction Agreement" means an agreement between the Auction Agent and the Bond Trustee pursuant to which the Auction Agent agrees to follow the procedures specified in this EXHIBIT E, as such agreement may from time to time be amended or supplemented.

"Auction Date" means during any period in which the Auction Procedures are not suspended in accordance with the provisions hereof, (i) if the Bonds are in a daily Auction Period, each Business Day, (ii) if the Bonds are in a Special Auction Period, the last Business Day of the Special Auction Period, and (iii) if the Bonds are in any other Auction Period, the Business Day next preceding each Interest Payment Date for such Bonds (whether or not an Auction shall be conducted on such date); provided, however, that the last Auction Date with respect to the Bonds in an Auction Period other than a daily Auction Period or Special Auction Period shall be the earlier of (i) the Business Day next preceding the Interest Payment Date next preceding the Conversion Date for the Bonds and (ii) the Business Day next preceding the Interest Payment Date next preceding the final maturity date for the Bonds; and provided, further, that if the Bonds are in a daily Auction Period, the last Auction Date shall be the earlier of (x) the Business Day next preceding the Conversion Date for the Bonds and (y) the Business Day next preceding the final maturity date for the Bonds. The last Business Day of a Special Auction Period will be the Auction Date for the Auction Period which begins on the next succeeding Business Day, if any. On the Business Day preceding the conversion from a daily Auction Period to another Auction Period, there will be two Auctions, one for the last daily Auction Period and one for the first Auction Period following the conversion.

"Auction Index" shall have the meaning specified in Section 206 of this EXHIBIT E.

"Auction Period" means for the initial Auction Period, the period commencing on the Date of Issuance and ending on and including [*last day of Auction Period for applicable*

Series of Bonds] and, thereafter, (i) a Special Auction Period, (ii) with respect to Bonds in a daily Auction Period, a period beginning on each Business Day and extending to but not including the next succeeding Business Day, (iii) with respect to Bonds in a seven day Auction Period, a period of generally seven days beginning on a Wednesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on the Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case ending on the next succeeding day which is followed by a Business Day), (iv) with respect to Bonds in a 28-day Auction Period, a period of generally 28 days beginning on a Wednesday (or the day following the last day of the prior Auction Period if the Prior Auction Period does not end on a Tuesday) and ending on the fourth Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (v) with respect to Bonds in a 35-day Auction Period, a period of generally 35 days beginning on a Wednesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on the fifth Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (vi) with respect to Bonds in a three-month Auction Period, a period of generally three months (or shorter period upon a conversion from another Auction Period) beginning on the day following the last day of the prior Auction Period and ending on the first day of the month that is the third calendar month following the beginning date of such Auction Period, and (vii) with respect to Bonds in a six-month Auction Period, a period of generally six months (or shorter period upon a conversion from another Auction Period) beginning on the day following the last day of the prior Auction Period and ending on the next succeeding June 1 or December 1; provided, however, that (a) if there is a conversion from a daily Auction Period to a seven-day Auction Period, the next Auction Period shall begin on the date of the conversion (*i.e.* the Interest Payment Date for the prior Auction Period) and shall end on the next succeeding Tuesday (unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day), (b) if there is a conversion from a daily Auction Period to a 28-day Auction Period, the next Auction Period shall begin on the date of the conversion (i.e. the Interest Payment Date for the prior Auction Period and shall end on the Tuesday (unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 21 days but not more than 28 days from such date of conversion, and, (c) if there is a conversion from a daily Auction Period to a 35-day Auction Period, the next Auction Period shall begin on the date of the conversion (*i.e.* the Interest Payment Date for the prior Auction Period) and shall end on the Tuesday (unless such Tuesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day) which is more than 28 days but no more than 35 days from such date of conversion.

"Auction Procedures" means the procedures for conducting Auctions for Bonds on each Auction Date during an Auction Rate Period set forth in this EXHIBIT E.

"Auction Rate" means for each Auction Period, (i) if Sufficient Clearing Bids exist, the Winning Bid Rate; provided, however, if all of the Bonds are the subject of Submitted Hold Orders, the All Hold Rate and (ii) if Sufficient Clearing Bids do not exist, the Maximum Interest Rate.

"Auction Rate" means the rate of interest to be borne by the Bonds during each Auction Period determined in accordance with Section 203 of this EXHIBIT E; provided, however, in no event may the Auction Rate exceed the Maximum Interest Rate.

"Auction Rate Conversion Date" means the date on which the Bonds convert from an Interest Period other than an Auction Rate Period and begin to bear interest at an Auction Rate.

"Auction Rate Period" means any period of time commencing on the first day the Bonds begin to accrue interest at an Auction Rate and ending on a Conversion Date.

"Available Bonds" means the aggregate principal amount of Bonds that are not the subject of Submitted Hold Orders.

"Bid" shall have the meaning specified in subsection (a) of Section 201 of this EXHIBIT E.

"Bidder" means each Existing Owner and Potential Owner who places an Order.

"Broker-Dealer(s)" means any entity or entities permitted by law to perform the function required of a Broker-Dealer in this EXHIBIT E, that is a member of, or a direct participant in, the Securities Depository, that has been selected by Trinity Health.

"Broker-Dealer Agreement" means an agreement among the Auction Agent, Trinity Health and a Broker-Dealer pursuant to which such Broker-Dealer agrees to follow the procedures specified in this EXHIBIT E, as such agreement may from to time be amended or supplemented.

"Existing Owner" means a Person who is listed as the beneficial owner of Bonds in the records of the Auction Agent.

"Hold Order" shall have the meaning specified in subsection (a) of Section 201 of this EXHIBIT E.

"Maximum Interest Rate" means 12% per annum; provided, however, that the Maximum Interest Rate shall not exceed the maximum interest rate permitted by applicable law from time to time.

"One Month LIBOR Rate" means on any date of determination, the offered rate, as determined by the Trustee, for United States dollar deposits which appear on Telerate page 3750, as reported by *Bloomberg Financial Markets Commodities News* (or such other page as may replace Telerate Page 3750 for the purpose of displaying comparable rates) as of approximately 11:00 a.m. London time, on such date, or if such date is not a date on which dealings in United States dollar deposits are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

"Order" means a Hold Order, Bid or Sell Order.

"Potential Owner" means any Person, including any Existing Owner, who may be interested in acquiring a beneficial interest in the Bonds in addition to the Bonds currently owned by such Person, if any.

"Principal Office" means, with respect to the Auction Agent, the office thereof designated in writing to the Issuer, Trinity Health, the Bond Trustee and each Broker-Dealer.

"Sell Order" shall have the meaning specified in subsection (a) of Section 201 of this EXHIBIT E.

"Special Auction Period" means any period of not less than seven nor more than 1,092 days which is not another Auction Period and which begins on an Interest Payment Date and ends on a Wednesday unless such Wednesday is not followed by a Business Day, in which case on the next succeeding day which is followed by a Business Day.

"Submission Deadline" means 1:00 p.m., New York City time, on each Auction Date not in a daily Auction Period and 11:00 a.m., New York City time, on each Auction Date in a daily Auction Period, or such other time on such date as shall be specified from time to time by the Auction Agent pursuant to the Auction Agreement as the time by which Broker-Dealer(s) are required to submit Orders to the Auction Agent; provided, however, that Submission Deadline means 11:00 a.m. New York City time on each Auction Date on which The New York Stock Exchange is scheduled to close earlier than its normal closing time; provided however, that Submission Deadline means 11:30 a.m. New York City time on each Auction Date on which The New York Stock Exchange is scheduled to close earlier than its normal closing time.

"Submitted Bid" shall have the meaning specified in subsection (b) of Section 203 of this EXHIBIT E.

"Submitted Hold Order" shall have the meaning specified in subsection (b) of Section 203 of this EXHIBIT E.

"Submitted Order" shall have the meaning specified in subsection (b) of Section 203 of this EXHIBIT E.

"Submitted Sell Order" shall have the meaning specified in subsection (b) of Section 203 of this EXHIBIT E.

"Sufficient Clearing Bids" means an Auction for which the aggregate principal amount of Bonds that are the subject of Submitted Bids by Potential Owners specifying one or more rates not higher than the Maximum Interest Rate is not less than the aggregate principal amount of Bonds that are the subject of Submitted Sell Orders and of Submitted Bids by Existing Owners specifying rates higher than the Maximum Interest Rate.

"Winning Bid Rate" means the lowest rate specified in any Submitted Bid which if selected by the Auction Agent as the Auction Rate would cause the aggregate principal amount of Bonds that are the subject of Submitted Bids specifying a rate not greater than such rate to be not less than the aggregate principal amount of Available Bonds.

ARTICLE II

Auction Procedures

Section 201. Orders by Existing Owners and Potential Owners.

(a) Prior to the Submission Deadline on each Auction Date:

(i) each Existing Owner may submit to a Broker-Dealer, in writing or by such other method as shall be reasonably acceptable to such Broker-Dealer, information as to:

(A) the principal amount of Bonds, if any, held by such Existing Owner which such Existing Owner irrevocably commits to continue to hold for the next succeeding Auction Period without regard to the rate determined by the Auction Procedures for such Auction Period,

(B) the principal amount of Bonds, if any, held by such Existing Owner which such Existing Owner irrevocably commits to continue to hold for the next succeeding Auction Period if the rate determined by the Auction Procedures for such Auction Period shall not be less than the rate per annum then specified by such Existing Owner (and which such Existing Owner irrevocably offers to sell on the next succeeding Interest Payment Date (or the same day in the case of a daily Auction Period) if the rate determined by the Auction Procedures for the next succeeding Auction Period shall be less than the rate per annum then specified by such Existing Owner), and/or

(C) the principal amount of Bonds, if any, held by such Existing Owner which such Existing Owner irrevocably offers to sell on the next succeeding Interest Payment Date (or on the same day in the case of a daily Auction Period) without regard to the rate determined by the Auction Procedures for the next succeeding Auction Period; and

(ii) for the purpose of implementing the Auctions and thereby to achieve the lowest possible interest rate on the Bonds, the Broker-Dealer(s) shall contact Potential Owners, including Persons that are Existing Owners, to determine the principal amount of Bonds, if any, which each such Potential Owner irrevocably offers to purchase if the rate determined by the Auction Procedures for the next succeeding Auction Period is not less than the rate per annum then specified by such Potential Owner.

For the purposes hereof, an Order containing the information referred to in clause (i)(A) of this subsection (a) is herein referred to as a "Hold Order," an Order containing the information referred to in clause (i)(B) or (ii) of this subsection (a) is herein referred to as a "Bid," and an Order containing the information referred to in clause (i)(C) of this subsection (a) is herein referred to as a "Sell Order."

(b) (i) A Bid by an Existing Owner shall constitute an irrevocable offer to sell:

(A) the principal amount of Bonds specified in such Bid if the rate determined by the Auction Procedures on such Auction Date shall be less than the rate specified therein; or

(B) such principal amount or a lesser principal amount of Bonds to be determined as set forth in subsection (a)(v) of Section 204 hereof if the rate determined by the Auction Procedures on such Auction Date shall be equal to such specified rate; or

(C) a lesser principal amount of Bonds to be determined as set forth in subsection (b)(iv) of Section 204 hereof if such specified rate shall be higher than the Maximum Interest Rate and Sufficient Clearing Bids do not exist.

(ii) A Sell Order by an Existing Owner shall constitute an irrevocable offer to sell:

(A) the principal amount of Bonds specified in such Sell Order; or

(B) such principal amount or a lesser principal amount of Bonds as set forth in subsection (b)(iv) of Section 204 hereof if Sufficient Clearing Bids do not exist.

(iii) A Bid by a Potential Owner shall constitute an irrevocable offer to purchase:

(A) the principal amount of Bonds specified in such Bid if the rate determined by the Auction Procedures on such Auction Date shall be higher than the rate specified therein; or

(B) such principal amount or a lesser principal amount of Bonds as set forth in subsection (a)(vi) of Section 204 hereof if the rate determined by the Auction Procedures on such Auction Date shall be equal to such specified rate.

(c) Anything herein to the contrary notwithstanding:

(i) for purposes of any Auction, any Order which specifies Bonds to be held, purchased or sold in a principal amount which is not $25,000 or an integral multiple thereof shall be rounded down to the nearest $25,000, and the Auction Agent shall conduct the Auction Procedures as if such Order had been submitted in such lower amount;

(ii) for purposes of any Auction other than during a daily Auction Period, any portion of an Order of an Existing Owner which relates to a Bond which has been called for redemption on or prior to the Interest Payment Date next succeeding such

Auction shall be invalid with respect to such portion and the Auction Agent shall conduct the Auction Procedures as if such portion of such Order had not been submitted; and

(iii) for purposes of any Auction other than during a daily Auction Period, no portion of a Bond which has been called for redemption on or prior to the Interest Payment Date next succeeding such Auction shall be included in the calculation of Available Bonds for such Auction.

Section 202. Submission of Orders by Broker-Dealer(s) to Auction Agent.

(a) Each Broker-Dealer shall submit to the Auction Agent in writing or by such other method as shall be reasonably acceptable to the Auction Agent, including such electronic communication acceptable to the parties, prior to the Submission Deadline on each Auction Date, all Orders obtained by such Broker-Dealer and specifying, if requested, with respect to each Order:

(i) the name of the Bidder placing such Order;

(ii) the aggregate principal amount of Bonds, if any, that are the subject of such Order;

(iii) to the extent that such Bidder is an Existing Owner:

(A) the principal amount of Bonds, if any, subject to any Hold Order placed by such Existing Owner;

(B) the principal amount of Bonds, if any, subject to any Bid placed by such Existing Owner and the rate specified in such Bid; and

(C) the principal amount of Bonds, if any, subject to any Sell Order placed by such Existing Owner.

(iv) to the extent such Bidder is a Potential Owner, the rate specified in such Bid.

(b) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next highest one thousandth of one percent (0.001%).

(c) If an Order or Orders covering all of the Bonds held by an Existing Owner is not submitted to the Auction Agent prior to the Submission Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Owner covering the principal amount of Bonds held by such Existing Owner and not subject to Orders submitted to the Auction Agent; provided, however, that if there is a conversion from one Auction Period to another Auction Period and Orders have not been submitted to the Auction Agent prior to the Submission Deadline covering the aggregate principal amount of Bonds to be converted held by such Existing Owner, the Auction Agent shall deem a Sell Order to have been submitted on

behalf of such Existing Owner covering the principal amount of Bonds to be converted held by such Existing Owner not subject to Orders submitted to the Auction Agent.

(d) If one or more Orders covering in the aggregate more than the principal amount of Outstanding Bonds held by any Existing Owner are submitted to the Auction Agent, such Orders shall be considered valid as follows:

(i) all Hold Orders shall be considered Hold Orders, but only up to and including in the aggregate the principal amount of Bonds held by such Existing Owner;

(ii) (A) any Bid of an Existing Owner shall be considered valid as a Bid of an Existing Owner up to and including the excess of the principal amount of Bonds held by such Existing Owner over the principal amount of the Bonds subject to Hold Orders referred to in paragraph (i) above;

(B) subject to clause (A), all Bids of an Existing Owner with the same rate shall be aggregated and considered a single Bid of an Existing Owner up to and including the excess of the principal amount of Bonds held by such Existing Owner over the principal amount of Bonds held by such Existing Owner subject to Hold Orders referred to in paragraph (i) above;

(C) subject to clause (A), if more than one Bid with different rates is submitted on behalf of such Existing Owner, such Bids shall be considered Bids of an Existing Owner in the ascending order of their respective rates up to the amount of the excess of the principal amount of Bonds held by such Existing Owner over the principal amount of Bonds held by such Existing Owner subject to Hold Orders referred to in paragraph (i) above; and

(D) the principal amount, if any, of such Bonds subject to Bids not considered to be Bids of an Existing Owner under this paragraph (ii) shall be treated as the subject of a Bid by a Potential Owner; and

(iii) all Sell Orders shall be considered Sell Orders, but only up to and including a principal amount of Bonds equal to the excess of the principal amount of Bonds held by such Existing Owner over the sum of the principal amount of the Bonds considered to be subject to Hold Orders pursuant to paragraph (i) above and the principal amount of Bonds considered to be subject to Bids of such Existing Owner pursuant to paragraph (ii) above.

(e) If more than one Bid is submitted on behalf of any Potential Owner, each Bid submitted with the same rate shall be aggregated and considered a single Bid and each Bid submitted with a different rate shall be considered a separate Bid with the rate and the principal amount of Bonds specified therein.

(f) Neither Trinity Health, the Issuer, the Bond Trustee nor the Auction Agent shall be responsible for the failure of any Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Owner or Potential Owner.

Section 203. Determination of Auction Rate.

(a) Not later than 9:30 a.m., New York City time, on each Auction Date, the Auction Agent shall advise the Broker-Dealer(s) and the Bond Trustee by telephone or other electronic communication acceptable to the parties of the All Hold Rate and the Auction Index.

(b) Promptly after the Submission Deadline on each Auction Date, the Auction Agent shall assemble all Orders submitted or deemed submitted to it by the Broker-Dealer(s) (each such Order as submitted or deemed submitted by a Broker-Dealer being hereinafter referred to as a "Submitted Hold Order," a "Submitted Bid" or a "Submitted Sell Order," as the case may be, and collectively as a "Submitted Order") and shall determine (i) the Available Bonds, (ii) whether there are Sufficient Clearing Bids, and (iii) the Auction Rate.

(c) Promptly after the Auction Agent has made the determinations pursuant to subsection (b) above, the Auction Agent shall advise the Bond Trustee, the Obligated Group Agent and Trinity Health by telephone (promptly confirmed in writing), telex or facsimile transmission or other electronic communication acceptable to the parties of the Auction Rate for the next succeeding Auction Period.

(d) In the event the Auction Agent fails to calculate or, for any reason (including, but not limited to, the lack of a duly appointed Broker-Dealer) fails to provide the Auction Rate for any Auction Period, (i) if the preceding Auction Period was a period of 35 days or less, the new Auction Period shall be the same as the preceding Auction Period and the Auction Rate for the New Auction Period shall be the same as the Auction Rate for the preceding Auction Period, and (ii) if the preceding Auction Period was a period of greater than 35 days, the preceding Auction Period shall be extended to the next Monday (or if such Monday is not followed by a Business Day then to the next succeeding day which is followed by a Business Day) and the Auction Rate in effect for the preceding Auction Period will continue in effect for the Auction Period as so extended. In the event Auction Period is extended as set forth in clause (ii) of the preceding sentence, an Auction shall be held on the last Business Day of the Auction Period as so extend to take effect for an Auction Period beginning on the Business Day immediately following the last day of the Auction Period as extended which Auction Period will end on the date it would otherwise have ended on had the prior Auction Period not been extended. Notwithstanding the foregoing, no Auction Rate shall be extended for more than 35 days. If at the end of 35 days the Auction Agent fails to calculate or provide the Auction Rate, the Auction Rate shall be the Maximum Interest Rate.

(e) In the event of a failed Conversion or in the event of a failure to change the length of the current Auction Period due to the lack of Sufficient Clearing Bids at the Auction on the Auction Date for the first new Auction Period, the Auction Rate for the next Auction Period shall be the Maximum Interest Rate and the Auction Period shall be a seven day Auction Period.

(f) If the Bonds are not rated or if the Bonds are no longer maintained in book-entry only form by the Securities Depository, then the Auction Rate will be the Maximum Interest Rate.

Section 204. Allocation of Bonds.

(a) In the event of Sufficient Clearing Bids, subject to the further provisions of subsections (c) and (d) below, Submitted Orders shall be accepted or rejected as follows in the following order of priority:

(i) the Submitted Hold Order of each Existing Owner shall be accepted, thus requiring each such Existing Owner to continue to hold the Bonds that are the subject of such Submitted Hold Order;

(ii) the Submitted Sell Order of each Existing Owner shall be accepted and the Submitted Bid of each Existing Owner specifying any rate that is higher than the Winning Bid Rate shall be rejected, thus requiring each such Existing Owner to sell the Bonds that are the subject of such Submitted Sell Order or Submitted Bid;

(iii) the Submitted Bid of each Existing Owner specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to continue to hold the Bonds that are the subject of such Submitted Bid;

(iv) the Submitted Bid of each Potential Owner specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Owner to purchase the Bonds that are the subject of such Submitted Bid;

(v) the Submitted Bid of each Existing Owner specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to continue to hold the Bonds that are the subject of such Submitted Bid, but only up to and including the principal amount of Bonds obtained by multiplying (A) the aggregate principal amount of Outstanding Bonds which are not the subject of Submitted Hold Orders described in paragraph (i) above or of Submitted Bids described in paragraphs (iii) or (iv) above by (B) a fraction the numerator of which shall be the principal amount of Outstanding Bonds held by such Existing Owner subject to such Submitted Bid and the denominator of which shall be the aggregate principal amount of Outstanding Bonds subject to such Submitted Bids made by all such Existing Owners that specified a rate equal to the Winning Bid Rate, and the remainder, if any, of such Submitted Bid shall be rejected, thus requiring each such Existing Owner to sell any excess amount of Bonds;

(vi) the Submitted Bid of each Potential Owner specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus requiring each such Potential Owner to purchase the Bonds that are the subject of such Submitted Bid, but only in an amount equal to the principal amount of Bonds obtained by multiplying (A) the aggregate principal amount of Outstanding Bonds which are not the subject of Submitted Hold Orders described in paragraph (i) above or of Submitted Bids described in paragraphs (iii), (iv) or (v) above by (B) a fraction the numerator of which shall be the principal amount of Outstanding Bonds subject to such Submitted Bid and the denominator of which shall be the sum of the aggregate principal amount of Outstanding Bonds subject to such Submitted Bids made by all such Potential Owners that specified a rate equal to the Winning Bid Rate, and the remainder of such Submitted Bid shall be rejected; and

(vii) the Submitted Bid of each Potential Owner specifying any rate that is higher than the Winning Bid Rate shall be rejected.

(b) In the event there are not Sufficient Clearing Bids, subject to the further provisions of subsections (c) and (d) below, Submitted Orders shall be accepted or rejected as follows in the following order of priority:

(i) the Submitted Hold Order of each Existing Owner shall be accepted, thus requiring each such Existing Owner to continue to hold the Bonds that are the subject of such Submitted Hold Order;

(ii) the Submitted Bid of each Existing Owner specifying any rate that is not higher than the Maximum Interest Rate shall be accepted, thus requiring each such Existing Owner to continue to hold the Bonds that are the subject of such Submitted Bid;

(iii) the Submitted Bid of each Potential Owner specifying any rate that is not higher than the Maximum Interest Rate shall be accepted, thus requiring each such Potential Owner to purchase the Bonds that are the subject of such Submitted Bid;

(iv) the Submitted Sell Orders of each Existing Owner shall be accepted as Submitted Sell Orders and the Submitted Bids of each Existing Owner specifying any rate that is higher than the Maximum Interest Rate shall be deemed to be and shall be accepted as Submitted Sell Orders, in both cases only up to and including the principal amount of Bonds obtained by multiplying (A) the aggregate principal amount of Bonds subject to Submitted Bids described in paragraph (iii) of this subsection (b) by (B) a fraction the numerator of which shall be the principal amount of Outstanding Bonds held by such Existing Owner subject to such Submitted Sell Order or such Submitted Bid deemed to be a Submitted Sell Order and the denominator of which shall be the principal amount of Outstanding Bonds subject to all such Submitted Sell Orders and such Submitted Bids deemed to be Submitted Sell Orders, and the remainder of each such Submitted Sell Order or Submitted Bid shall be deemed to be and shall be accepted as a Hold Order and each such Existing Owner shall be required to continue to hold such excess amount of Bonds; and

(v) the Submitted Bid of each Potential Owner specifying any rate that is higher than the Maximum Interest Rate shall be rejected.

(c) If, as a result of the procedures described in subsection (a) or (b) above, any Existing Owner or Potential Owner would be required to purchase or sell an aggregate principal amount of Bonds which is not an integral multiple of $25,000 on any Auction Date, the Auction Agent shall by lot, in such manner as it shall determine in its sole discretion, round up or down the principal amount of Bonds to be purchased or sold by any Existing Owner or Potential Owner on such Auction Date so that the aggregate principal amount of Bonds purchased or sold by each Existing Owner or Potential Owner on such Auction Date shall be an integral multiple of $25,000, even if such allocation results in one or more of such Existing Owners or Potential Owners not purchasing or selling any Bonds on such Auction Date.

(d) If, as a result of the procedures described in subsection (a) above, any Potential Owner would be required to purchase less than $25,000 in principal amount of Bonds on any Auction Date, the Auction Agent shall by lot, in such manner as it shall determine in its sole discretion, allocate Bonds for purchase among Potential Owners so that the principal amount of Bonds purchased on such Auction Date by any Potential Owner shall be an integral multiple of $25,000, even if such allocation results in one or more of such Potential Owners not purchasing Bonds on such Auction Date.

Section 205. Notice of Auction Rate.

(a) On each Auction Date, the Auction Agent shall notify by telephone or other telecommunication device or other electronic communication acceptable to the parties in writing each Broker-Dealer that participated in the Auction held on such Auction Date of the following:

(i) the Auction Rate determined on such Auction Date for the succeeding Auction Period;

(ii) whether Sufficient Clearing Bids existed for the determination of the Winning Bid Rate;

(iii) if such Broker-Dealer submitted a Bid or a Sell Order on behalf of an Existing Owner, whether such Bid or Sell Order was accepted or rejected and the principal amount of Bonds, if any, to be sold by such Existing Owner;

(iv) if such Broker-Dealer submitted a Bid on behalf of a Potential Owner, whether such Bid was accepted or rejected and the principal amount of Bonds, if any, to be purchased by such Potential Owner;

(v) if the aggregate principal amount of the Bonds to be sold by all Existing Owners on whose behalf such Broker-Dealer submitted Bids or Sell Orders is different from the aggregate principal amount of Bonds to be purchased by all Potential Owners on whose behalf such Broker-Dealer submitted a Bid, the name or names of one or more Broker-Dealer(s) (and the Agent Member, if any, of each such other Broker Dealer) and the principal amount of Bonds to be (A) purchased from one or more Existing Owners on whose behalf such other Broker-Dealer(s) submitted Bids or Sell Orders or (B) sold to one or more Potential Owners on whose behalf such Broker-Dealer submitted Bids; and

(vi) the immediately succeeding Auction Date.

(b) On each Auction Date, each Broker-Dealer that submitted an Order on behalf of any Existing Owner or Potential Owner shall: (i) advise each Existing Owner and Potential Owner on whose behalf such Broker-Dealer submitted an Order as to (A) the Auction Rate determined on such Auction Date, (B) whether any Bid or Sell Order submitted on behalf of each such Owner was accepted or rejected and (C) the immediately succeeding Auction Date; (ii) instruct each Potential Owner on whose behalf such Broker-Dealer submitted a Bid that was accepted, in whole or in part, to instruct such Potential Owner's Agent Member to pay to such Broker-Dealer (or its Agent Member) through the Securities Depository the amount necessary to

purchase the principal amount of Bonds to be purchased pursuant to such Bid (including, with respect to the Bonds in a daily Auction Period, accrued interest if the purchase date is not an Interest Payment Date for such Bond) against receipt of such Bonds; and (iii) instruct each Existing Owner on whose behalf such Broker-Dealer submitted a Sell Order that was accepted or a Bid that was rejected, in whole or in part, to instruct such Existing Owner's Agent Member to deliver to such Broker-Dealer (or its Agent Member) through the Securities Depository the principal amount of Bonds to be sold pursuant to such Bid or Sell Order against payment therefor.

Section 206. Auction Index.

(a) The Auction Index on any Auction Date with respect to Bonds in any Auction Period of 35 days or less will be the One Month LIBOR Rate on such date. The Auction Index with respect to Bonds in any Auction Period greater than 35 days will be the rate on United States Treasury Securities having a maturity which most closely approximates the length of the Auction Period, as last published in The Bond Buyer. If either rate is unavailable, the Auction Index will be an index or rate agreed to by all Broker-Dealer(s) and consented to by Trinity Health.

(b) If for any reason on any Auction Date the Auction Index shall not be determined as hereinabove provided in this Section, the Auction Index shall be the Auction Index for the Auction Period ending on such Auction Date.

(c) The determination of the Auction Index as provided herein shall be conclusive and binding upon the Issuer, Trinity Health, the Bond Trustee, the Broker-Dealer(s), the Auction Agent and the owners of the Bonds.

Section 207. Miscellaneous Provisions Regarding Auctions.

(a) In this EXHIBIT E, each reference to the purchase, sale or holding of "Bonds" shall refer to beneficial interests in Bonds, unless the context clearly requires otherwise.

(b) During an Auction Rate Period, the provisions of the Bond Indenture and the definitions contained therein and the provisions of this EXHIBIT E and the definitions contained herein, including without limitation the definitions of Interest Payment Date, Maximum Interest Rate, All Hold Rate, Auction Index and Auction Rate, may be amended pursuant to Section 9.01(A) of the Bond Indenture by obtaining the consent of the owners of all Outstanding Bonds bearing interest at an Auction Rate as follows: If on the first Auction Date occurring at least 20 days after the date on which the Bond Trustee mailed notice of such proposed amendment to the Holders of the Outstanding Bonds as required by Section 9.01(A), (i) the Auction Rate which is determined on such date is the Winning Bid Rate and (ii) there is delivered to the Issuer, Trinity Health and the Bond Trustee a Favorable Opinion of Bond Counsel, the proposed amendment shall be deemed to have been consented to by the owners of all affected Outstanding Bonds bearing interest at an Auction Rate.

(c) If the Securities Depository notifies the Issuer and Trinity Health that it is unwilling or unable to continue as owner of the Bonds bearing interest at an Auction Rate or if at any time the Securities Depository shall no longer be registered or in good standing under the

Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a successor to the Securities Depository is not appointed by Trinity Health within 90 days after Trinity Health receives notice or becomes aware of such condition, as the case may be, the Issuer shall execute and the Bond Trustee shall authenticate and deliver certificates representing the Bonds bearing interest at an Auction Rate. Such Bonds shall be registered in such names and authorized denominations as the Securities Depository, pursuant to instructions from the Agent Members or otherwise, shall instruct the Issuer and the Bond Trustee. During an Auction Rate Period, so long as the ownership of the Bonds is maintained in book-entry form by the Securities Depository, an Existing Owner or a Beneficial Owner may sell, transfer or otherwise dispose of a Bond only pursuant to a Bid or Sell Order in accordance with the Auction Procedures or to or through a Broker-Dealer, provided that (i) in the case of all transfers other than pursuant to Auctions, such Existing Owner or its Broker-Dealer or its Agent Member advises the Auction Agent of such transfer and (ii) a sale, transfer or other disposition of Bonds from a customer of a Broker-Dealer who is listed on the records of that Broker-Dealer as the Holder of such Bonds to that Broker-Dealer or another customer of that Broker-Dealer shall not be deemed to be a sale, transfer or other disposition for purposes of this Section 207 if such Broker-Dealer remains the Existing Owner of the Bonds so sold, transferred or disposed of immediately after such sale, transfer or disposition.

Section 208. Changes in Auction Period or Auction Date.

(a) Changes in Auction Period. (i) During any Auction Rate Period, Trinity Health may, from time to time on the last Interest Payment Date of an Auction Period, change the length of the Auction Period with respect to the Bonds between daily, seven days, 28 days, 35 days, three months, six months and a Special Auction Period in order to accommodate economic and financial factors that may affect or be relevant to the length of the Auction Period and the interest rate borne by such Bonds. Trinity Health shall initiate the change in the length of the Auction Period by giving written notice at least 10 Business Days prior to the Auction Date for such new Auction Period to the Issuer, the Bond Trustee, the Auction Agent, the Broker-Dealer(s) and the Securities Depository that the Auction Period will change to a new Auction Period if the conditions described herein are satisfied and the proposed effective date of the change.

(ii) Any such changed Auction Period shall be for a period of one day, seven days, 28 days, 35 days, three months, six months or a Special Auction Period.

(iii) The change in the length of the Auction Period shall not be allowed unless Sufficient Clearing Bids existed at the Auction before the date on which the notice of the proposed change was given as provided in this subsection (a), the Auction immediately preceding the proposed change and at the Auction on the first Auction Date for such new Auction Period. For purposes of the first Auction for such new Auction Period only, each Existing Owner shall be deemed to have submitted Sell Orders with respect to all of its Bonds except to the extent such Existing Owner actually submits an Order with respect to such Bonds. Additionally, if the change is to a Special Auction Period with a length equal to or in excess of one year, such change shall be effective only if a Favorable Opinion of Bond Counsel is delivered to the Issuer, Trinity Health and the Bond Trustee dated as of the effective date of such change.

(iv) If any of these conditions are not met, the Auction Rate for the next Auction Period shall be the Maximum Interest Rate, and the Auction Period shall be a seven-day Auction Period.

(v) On the conversion date for Bonds selected for conversion from one Auction Period to another, any Bonds which are not the subject of an actual Hold Order or Bid will be deemed to be subject to a Sell Order.

(b) Changes in Auction Date. During any Auction Rate Period, the Auction Agent, with the written consent of Trinity Health, may specify an earlier Auction Date (but in no event more than five Business Days earlier) than the Auction Date that would otherwise be determined in accordance with the definition of "Auction Date" in order to conform with then current market practice with respect to similar securities or to accommodate economic and financial factors that may affect or be relevant to the day of the week constituting an Auction Date and the interest rate borne by the Bonds. The Auction Agent shall provide notice of its determination to specify an earlier Auction Date for an Auction Period by means of a written notice delivered at least 45 days prior to the proposed changed Auction Date to the Bond Trustee, Trinity Health, the Issuer, the Broker-Dealer(s) and the Securities Depository.

ARTICLE III

Auction Agent

Section 301. Auction Agent.

(a) The Auction Agent shall be appointed by the Bond Trustee, at the written direction of Trinity Health, to perform the functions specified herein. The Auction Agent shall designate its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument delivered to the Issuer, the Bond Trustee, Trinity Health and each Broker-Dealer which will set forth such procedural and other matters relating to the implementation of the Auction Procedures as shall be satisfactory to Trinity Health and the Bond Trustee.

(b) Subject to any applicable governmental restrictions, the Auction Agent may be or become the owner of or trade in Bonds with the same rights as if such entity were not the Auction Agent.

Section 302. Qualifications of Auction Agent: Resignation; Removal. The Auction Agent shall be (a) a bank or trust company organized under the laws of the United States or any state or territory thereof having a combined capital stock, surplus and undivided profits of at least $30,000,000, or (b) a member of NASD having a capitalization of at least $30,000,000 and, in either case, authorized by law to perform all the duties imposed upon it by the Indenture and a member of or a participant in, the Securities Depository. The Auction Agent may at any time resign and be discharged of the duties and obligations created by the Indenture by giving at least ninety (90) days notice to the Issuer, Trinity Health and the Bond Trustee. The Auction Agent may be removed at any time by Trinity Health or the Insurer by written notice, delivered to the Auction Agent, the Issuer and the Bond Trustee. Upon any such resignation or removal, the Bond Trustee shall, at the written request of Trinity Health and with the consent of the

Insurer, appoint a successor Auction Agent meeting the requirements of this Section. In the event of the resignation or removal of the Auction Agent, the Auction Agent shall pay over, assign and deliver any moneys and Bonds held by it in such capacity to its successor. The Auction Agent shall continue to perform its duties hereunder until its successor has been appointed by the Bond Trustee, at the written request of Trinity Health. In the event that the Auction Agent has not been compensated for its services, the Auction Agent may resign by giving thirty (30) days notice to the Issuer, Trinity Health and the Bond Trustee even if a successor Auction Agent has not been appointed.

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APPENDIX F

FORM OF OPINIONS OF
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

November 17, 2005

[Subject to change as may be necessary to reflect state-specific requirements]

[Issuer]
[City, State]

RE: [Issuer] Variable Rate Revenue Bonds (Trinity Health Credit Group) Series 2005_

Ladies and Gentlemen:

As bond counsel to the [Issuer] (the "Issuer"), we submit this opinion with respect to the issuance by the Issuer of its [Issuer] Variable Rate Revenue Bonds (Trinity Health Credit Group) Series 2005_, dated the date hereof, in the aggregate principal sum of $_____ (the "Bonds").

We have examined a certified transcript of proceedings with respect to the Bonds, including a certified copy of an authorizing resolution, adopted by the Issuer on _____, 2005 (the "Authorizing Resolution"), an executed copy of the Bond Indenture, dated as of November 1, 2005 (the "Bond Indenture"), between the Issuer and U.S. Bank National Association, as bond trustee (the "Trustee"), an executed copy of the Loan Agreement, dated as of November 1, 2005 (the "Loan Agreement"), between the Issuer and Trinity Health Corporation (the "Borrower") and the Non-Arbitrage Certificate and the Non-Arbitrage and Tax Compliance Certificate (each as described in the Bond Indenture) dated this date. We have also reviewed such other information, records, and documents as, in our judgment, are necessary or advisable to deliver the opinions expressed herein, and we have examined an executed Bond or a specimen thereof.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned in the Bond Indenture.

The Bonds are issued under and pursuant to [State Act] (the "Act"), by the Issuer for the purpose of providing funds to loan to the Borrower to be used by the Borrower, together with other available funds: (i) to finance additions and improvements to, and the acquisition of equipment for, health care facilities in the State of [State], and (ii) to pay certain costs of issuing the Bonds.

Obligations issued by state or local government entities in other states for the benefit of the Borrower and the Credit Group (the "Related Bonds") were sold within 15 days of the date of sale of the Bonds pursuant to a common plan of financing and are expected to be paid from substantially the same source of funds. We have served as bond counsel with respect to the issuance of the Related Bonds and, on the date hereof, have rendered our opinion with respect to

the exclusion of interest on the Related Bonds from gross income for federal income tax purposes in substantially the form of paragraph 5 below and subject to the same conditions and limitations set forth herein.

We have relied upon and assumed the accuracy of the opinion of Foley & Lardner LLP, special counsel to the Borrower and the Trinity Health Credit Group, regarding, among other matters, the current qualification of the Borrower and certain members of the Trinity Health Credit Group as organizations described in § 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

As to questions of fact material to our opinion we have, with your consent, relied upon the certified proceedings and other certifications of public officials and officers of the Borrower furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination, we are of the opinion that under existing law:

1. The Bonds have been duly authorized to be issued and delivered by the Issuer, all conditions precedent to the delivery thereof have been fulfilled and, when duly authenticated, the Bonds will constitute valid and binding obligations of the Issuer enforceable in accordance with their terms.

2. The Bond Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Bond Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Bond Indenture, except the Rebate Fund, subject to the provisions of the Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Indenture. The Bond Indenture also creates a valid pledge to the Trustee, for the benefit of the holders from time to time of the Bonds, of the right, title, and interest of the Issuer in the Loan Agreement (to the extent more particularly described in the Bond Indenture).

3. The Loan Agreement has been duly executed and delivered by the Issuer and constitutes a valid and binding agreement of the Issuer.

4. The Bonds are not a lien or charge upon the funds or property of the Issuer except to the extent of the aforementioned pledge and assignment. The Bonds do not constitute obligations or create any debt of the State of [State], nor do they constitute a general obligation of the Issuer, but the principal of and the interest thereon are payable solely from the sources provided therefor in the Bond Indenture.

5. The interest on the Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinion set forth in clause (a) above is subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the

issuance of the Bonds in order that interest on the Bonds be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Borrower has covenanted for itself and on behalf of the Issuer to comply with all such requirements. We express no opinion regarding (i) the effect on the exclusion of interest on the Bonds from gross income for federal income tax purposes following a change in interest rate mode with respect to the Bonds or the Related Bonds, or (ii) other federal tax consequences arising with respect to the Bonds and the interest on the Bonds.

6. The Bonds and the interest thereon are [*Indiana*: exempt from all taxes, direct or indirect, imposed by the State of Indiana, any county, any city, or any political subdivision thereof] [*Iowa*: not exempt from State of Iowa income taxation] [*Ohio*: exempt from all state, city, county or other taxation provided by the State of Ohio].

The enforceability of the rights and remedies set forth in the Authorizing Resolution, the Bond Indenture, the Loan Agreement and the Bonds may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally and by the application of general principles of equity, including those relating to equitable subordination.

Respectfully submitted,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

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APPENDIX G

BOOK-ENTRY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered 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 Bond certificate will be issued in the total aggregate principal amount of each Series of the Bonds, and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the

Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Trinity Health and the Issuers believe to be reliable, but neither the Trinity Health nor the Issuers take responsibility for the accuracy thereof.

Trinity Health and the Issuers cannot and do not give any assurances that DTC will distribute to Participants or that Participants or others will distribute to the Beneficial Owners payments of principal of and interest and premium, if any, on the Bonds paid or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. Neither Trinity Health nor the Issuers is responsible or liable for the failure of DTC or any Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the Bonds or any error or delay relating thereto.

None of Trinity Health, the Issuers or the Trustee will have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC, any Participant, or any Indirect Participant; (ii) the payment by DTC or any Participant or Indirect Participant of any amount with respect to the principal of or premium, if any, or interest on the Bonds; (iii) any notice that is permitted or required to be given to Holders under the related Bond Indenture; (iv) the selection by DTC, any Participant or any Indirect Participant of any person to receive payment in the event of a partial redemption of the Bonds; (v) any consent given or other action taken by DTC as Bondholder; or (vi) any other procedures or obligations of DTC, Participants or Indirect Participants under the book-entry system.

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APPENDIX H

SPECIMEN BOND INSURANCE POLICY

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FINANCIAL SECURITY ASSURANCE®

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS:

Policy No.: -N

Effective Date:

Premium: $

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment

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made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

[Countersignature]

FINANCIAL SECURITY ASSURANCE INC.

By _____

By _____
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
31 West 52nd Street, New York, N.Y. 10019

(212) 826-0100

Form 500NY (5/90)

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