PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 19, 2024

Book-Entry-Only
NEW ISSUE

Ratings: Moody's: "Aa3"
Fitch: "AA-"
(See "RATINGS" herein)

In the opinion of Bond Counsel for the Bonds, based upon an analysis of laws, regulations, rulings, and court decisions, and assuming continuing compliance with certain covenants made by the Commission, and subject to the conditions and limitations set forth herein under the caption "TAX TREATMENT," interest on the Bonds (including any original issue discount properly allocable to the owner of any Bond) is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Interest on the Bonds is exempt from Kentucky income tax and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions. See "TAX TREATMENT" herein for a more complete discussion, and "EXHIBIT E – Form of Bond Counsel Opinion for the Bonds."

COMMONWEALTH OF KENTUCKY
STATE PROPERTY AND BUILDINGS COMMISSION
$500,000,000* REVENUE BONDS, PROJECT NO. 131 SERIES A

Dated: Date of Delivery **Maturity: October 1, as shown on inside cover**

The Commonwealth of Kentucky State Property and Buildings Commission (the "Commission") is issuing its Revenue Bonds, Project No. 131 Series A (the "Bonds"). The Bonds will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds so purchased. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal, premium, if any, and interest due on the Bonds will be made directly to DTC. The Bonds will be issued in denominations of $5,000 or any integral multiple thereof. The Bonds will bear interest, payable semiannually on each April 1 and October 1, commencing on April 1, 2025. The principal of, premium, if any, and interest on the Bonds will be paid directly to DTC by U.S. Bank Trust Company, National Association, Louisville, Kentucky, as Trustee and Paying Agent.

The Bonds mature on the dates and in the principal amounts, bear interest at the rates, and have the prices and yields shown on the inside cover page hereof.

The Bonds are subject to redemption before maturity as described herein. See "THE BONDS – Redemption".

The Bonds are being issued by the Commission, an independent agency of the Commonwealth of Kentucky (the "Commonwealth"), at the request of the Finance and Administration Cabinet of the Commonwealth (the "Cabinet"), in accordance with a Bond Resolution adopted by the Commission on August 27, 2024 (the "Resolution"). The Bonds are being issued to (i) pay the costs of the Project (as defined herein), and (ii) pay the costs of issuing the Bonds. See "PLAN OF FINANCE" herein.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COMMISSION. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY, OR OBLIGATION OF THE COMMONWEALTH, OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE COMMONWEALTH, BUT ARE PAYABLE SOLELY FROM AMOUNTS DEPOSITED IN CERTAIN FUNDS AND ACCOUNTS CREATED BY THE RESOLUTION AND FROM RENTAL INCOME DERIVED FROM THE BIENNIALLY RENEWABLE LEASE WITH THE CABINET AND THE SUBLEASES (AS DESCRIBED AND DEFINED HEREIN), THE RENT FROM WHICH IS SUBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY OF THE COMMONWEALTH ON A BIENNIAL BASIS. THE BONDHOLDERS HAVE NO SECURITY INTEREST IN ANY PROPERTIES CONSTITUTING THE PROJECT (AS DEFINED HEREIN) OR ANY AMOUNTS DERIVED THEREFROM. See "SECURITY FOR THE BONDS" herein.

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

The Bonds are offered when, as, and if issued and accepted by the Underwriters, subject to the approving legal opinion of Kutak Rock LLP, Omaha, Nebraska, Bond Counsel. Certain legal matters will be passed on for the Underwriters by their counsel, Dinsmore & Shohl LLP, Louisville, Kentucky. It is expected that the Bonds will be available for delivery in New York, New York, through the book-entry procedures of DTC, on or about October 24, 2024.

BofA Securities

Morgan Stanley

Baird	**PNC Capital Markets LLC**	**Raymond James**
FHN Financial Capital Markets	**Huntington Capital Markets**	**Stifel**
	First Kentucky Securities Corp.	

Dated: ____________, 2024.

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* Preliminary, subject to change.

COMMONWEALTH OF KENTUCKY
STATE PROPERTY AND BUILDINGS COMMISSION
$500,000,000* REVENUE BONDS, PROJECT NO. 131 SERIES A

Maturity	Principal Amount*	Interest Rate	Price	Yield	CUSIP No.†
10/01/2025	$14,920,000				
10/01/2026	15,685,000				
10/01/2027	16,485,000				
10/01/2028	17,330,000				
10/01/2029	18,220,000				
10/01/2030	19,155,000				
10/01/2031	20,140,000				
10/01/2032	21,170,000				
10/01/2033	22,255,000				
10/01/2034	23,395,000				
10/01/2035	24,595,000				
10/01/2036	25,860,000				
10/01/2037	27,185,000				
10/01/2038	28,580,000				
10/01/2039	30,045,000				
10/01/2040	31,585,000				
10/01/2041	33,205,000				
10/01/2042	34,910,000				
10/01/2043	36,700,000				
10/01/2044	38,580,000				

* Preliminary, subject to change.

 The CUSIP numbers listed above are being provided solely for the convenience of the Bondholders only at the time of issuance of the Bonds, and the Commission does not make any representations with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

COMMONWEALTH OF KENTUCKY
STATE PROPERTY AND BUILDINGS COMMISSION

MEMBERS

ANDREW G. BESHEAR
Governor
(Chairman of the Commission)

JACQUELINE COLEMAN
Lieutenant Governor

RUSSELL COLEMAN
Attorney General

HOLLY M. JOHNSON
Secretary
Finance and Administration Cabinet
(Executive Director of the Commission)

JEFF NOEL
Secretary
Cabinet for Economic Development

JOHN HICKS
Executive Cabinet Secretary and State Budget Director

L. JOE MCDANIEL
State Controller

CHELSEY COUCH
Executive Director
Office of Financial Management
(Secretary to the Commission)

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offer to sell the Bonds to any person, or the solicitation of an offer from any person to buy the Bonds, in any jurisdiction where such offer or such solicitation of an offer to buy would be unlawful. The information set forth herein is provided by the Commonwealth of Kentucky from sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation of the Underwriters. No dealer, salesman, or any other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering contained herein, and, if given or made, such information or representation must not be relied upon as having been authorized by the Commonwealth of Kentucky or the Underwriters. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor the sale of any Bonds shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof. This Official Statement is submitted in connection with the issuance of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS CONTAINED IN SUCH FEDERAL ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR AUTHORITY, NOR HAS SUCH FEDERAL OR ANY STATE SECURITIES COMMISSION OR AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Circular 230: THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT IS NOT INTENDED TO BE USED, AND CANNOT BE USED, BY A PURCHASER OF THE BONDS FOR THE PURPOSE OF AVOIDING ANY FEDERAL TAX PENALTIES. EACH PURCHASER OF THE BONDS IS URGED TO CONTACT AN INDEPENDENT TAX ADVISOR CONCERNING AN INVESTMENT IN THE BONDS.

THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR ANY PERMITTED OMISSIONS) BY THE COMMISSION FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

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SUMMARY

The following information is furnished solely to provide limited introductory information regarding the Commission and the Bonds and does not purport to be comprehensive. Such information is qualified in its entirety by reference to the more detailed information and descriptions appearing elsewhere in this Official Statement and should be read together therewith. The terms used in this Summary and not otherwise defined shall have the respective meanings assigned to them elsewhere in this Official Statement. The offering of the Bonds is made only by means of the entire Official Statement, including the Exhibits hereto. No person is authorized to make offers to sell, or solicit offers to buy, the Bonds unless the entire Official Statement is delivered in connection therewith.

The Commission The State Property and Buildings Commission (the "Commission") is an independent agency of the Commonwealth of Kentucky (the "Commonwealth"). See "THE STATE PROPERTY AND BUILDINGS COMMISSION" herein.

The Offering The Commission is offering its Revenue Bonds, Project No. 131 Series A (the "Bonds").

Authority The Bonds are being issued in accordance with the provisions of the Constitution and laws of the Commonwealth, including, particularly, Chapters 56 and 58 of the Kentucky Revised Statutes, and the Bond Resolution adopted by the Commission on August 27, 2024 (the "Resolution"), (i) authorizing the issuance of the Bonds, and (ii) approving the Lease Agreement dated as of October 1, 2024, by and between the Commission and the Cabinet (the "Lease").

Use of Proceeds The Bonds are being issued to (i) pay the costs of the Project (as defined herein), and (ii) pay the costs of issuing the Bonds.

Security The Bonds and the interest thereon are payable solely from the revenues to be derived from the rental payments payable under the Lease and the subleases by and between the Cabinet and certain State Agencies (as defined herein) that are currently in force and effect (collectively, the "Subleases").

See "SECURITY FOR THE BONDS" herein and "SUMMARIES OF THE PRINCIPAL DOCUMENTS – The Lease and the Subleases" herein. The Bonds are not secured by a lien on any of the properties constituting the Project or any amounts derived therefrom.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COMMISSION. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY, OR OBLIGATION OF THE COMMONWEALTH, OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE COMMONWEALTH, BUT ARE PAYABLE SOLELY FROM THE AMOUNTS DEPOSITED IN CERTAIN FUNDS AND ACCOUNTS CREATED BY THE RESOLUTION AND FROM THE RENTAL INCOME DERIVED FROM THE BIENNIALLY RENEWABLE LEASE WITH THE CABINET AND THE BIENNIALLY RENEWABLE SUBLEASES BETWEEN THE CABINET AND CERTAIN STATE AGENCIES, IN EACH CASE, THE RENT FROM WHICH IS SUBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY OF THE COMMONWEALTH ON A BIENNIAL BASIS. THE BONDHOLDERS HAVE NO SECURITY INTEREST IN ANY OF THE PROPERTIES CONSTITUTING THE PROJECT OR ANY AMOUNTS DERIVED THEREFROM.

Features of the Bonds The Bonds will be issued in denominations of $5,000 or any integral multiple thereof, at the interest rates, yields, and purchase prices set forth on the inside cover page hereof. The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds so purchased. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal, premium, if any, and interest due on the Bonds will be made directly to DTC.

The Bonds will bear interest from their dated date, payable semiannually on each April 1 and October 1, commencing on April 1, 2025. The principal of, premium, if any, and interest on

	the Bonds will be paid directly to DTC by U.S. Bank Trust Company, National Association, Louisville, Kentucky, as Trustee and Paying Agent (the "Trustee").
	The Bonds maturing on and after October 1, 2035 are subject to optional redemption at par on October 1, 2034, and on any business day thereafter, in whole or in part, at a redemption price equal to the principal amount thereof, plus accrued interest thereon, without premium. See "THE BONDS – Redemption" herein.
	It is expected that delivery of the Bonds will be made on or about October 24, 2024, in New York, New York, through the facilities of DTC, against payment therefor.
Tax Status	Subject to compliance by the Commission, the Cabinet, and others with certain covenants, in the opinion of Kutak Rock LLP, Bond Counsel, under present law, interest on the Bonds (including original issue discount treated as interest) is excludable from gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax imposed on individuals; however, interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. It is also the opinion of Bond Counsel, under the laws of the Commonwealth, as presently enacted and construed, that interest on the Bonds is exempt from Kentucky income tax and the Bonds are exempt from ad valorem taxation by the Commonwealth and any political subdivisions thereof. See "TAX TREATMENT" herein and "EXHIBIT E – Form of Bond Counsel Opinion for the Bonds" hereto for a more complete description of the opinion of Bond Counsel and additional federal tax law consequences.
Continuing Disclosure	Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), prohibits an underwriter from purchasing or selling municipal securities in an initial offering unless it has determined that the issuer of such securities has committed to provide annually, certain information, including audited financial information, and notice of various events described in the Rule, if material. In order to enable the purchaser to comply with the provisions of the Rule, the Commission will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), to be acknowledged by the Trustee, substantially in the form set forth in EXHIBIT F attached hereto. See "CONTINUING DISCLOSURE" herein and "EXHIBIT F – Form of Continuing Disclosure Agreement" hereto.
General	This Official Statement speaks only as of its date, and the information contained herein is subject to change. All summaries of documents and agreements contained in this Official Statement are qualified in their entirety by reference to such documents and agreements, copies of which are available from the Office of Financial Management.
Information	Information regarding the Bonds is available by contacting the Office of Financial Management, 200 Mero Street, 5th Floor, Frankfort, Kentucky 40622, (502) 564-2924; or, during the initial offering period, by contacting the representative of the Underwriters, BofA Securities, Inc., 110 North Wacker, Chicago, Illinois 60606, (312) 537-6008. This Official Statement will be posted with the Electronic Municipal Market Access (EMMA) system.

OFFICIAL STATEMENT

Relating to

COMMONWEALTH OF KENTUCKY
STATE PROPERTY AND BUILDINGS COMMISSION
$500,000,000* REVENUE BONDS, PROJECT NO. 131 SERIES A

INTRODUCTION

This Official Statement, including the cover page, inside cover page, and exhibits attached hereto, provides information in connection with the issuance and sale by the State Property and Buildings Commission (the "Commission"), an independent agency of the Commonwealth of Kentucky (the "Commonwealth"), of its Revenue Bonds, Project No. 131 Series A (the "Bonds"), issued at the request of the Finance and Administration Cabinet of the Commonwealth (the "Cabinet").

The Bonds are being issued to (a) pay the costs of the Project (as defined herein), and (b) pay the costs of issuing the Bonds.

The Bonds have been authorized and issued in accordance with the Constitution and laws of the Commonwealth, including, particularly, Chapters 56 and 58 of the Kentucky Revised Statutes ("KRS"). The Commission adopted the Bond Resolution (the "Resolution") on August 27, 2024, (i) authorizing the issuance of the Bonds, and (ii) approving the Lease Agreement dated as of October 1, 2024, by and between the Commission and the Cabinet (the "Lease").

The Cabinet, as lessee, has entered into the Lease with the Commission. Payments made in accordance with the Lease will provide the Commission with amounts to pay the principal of, premium, if any, and interest on the Bonds as they become due. The current term of the Lease ends June 30, 2026, and the Lease renews automatically (unless terminated in writing by the Cabinet by no later than the last business day of the preceding May) for successive biennial periods, to and including the biennial period that includes the final maturity of the Bonds. The Lease requires the Cabinet, for each biennial period during which any Bonds are outstanding, to seek legislative appropriations to the Cabinet or the Sublessees in amounts which are sufficient to permit the Cabinet to make rental payments to the Commission in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds.

Portions of the Project (as defined herein) will be used by various State Agencies (as defined and described under the heading "THE STATE AGENCIES" herein) (each, a "Sublessee" and collectively, the "Sublessees"). In order to comply with the Commonwealth's budget process, the Cabinet has subleased certain portions of the Project under subleases previously entered into with certain Sublessees (the "Subleases"). The term of the Subleases will end on June 30, 2026. The Subleases will renew automatically (unless terminated by the applicable Sublessee in writing no later than the last business day of the preceding April) for successive biennial periods of 2 years each, ending on June 30 (each, a "Renewal Term"), to and including the June 30 of the Renewal Term that includes the final maturity of the Bonds. Each Sublease requires the applicable Sublessee, for each Renewal Term of its Sublease, to seek to have legislative appropriations made to such Sublessee in amounts sufficient to permit such Sublessee to make rental payments to the Cabinet coming due during that Renewal Term. However, under the Commonwealth's current budget process, appropriations to make payments under the Subleases which are included in the current budget will be made directly to the Cabinet in future Renewal Terms.

The General Assembly of the Commonwealth of Kentucky (the "Kentucky General Assembly") has previously appropriated to the Cabinet amounts sufficient to meet the rental payments due under the Lease and, therefore, to permit the Commission to meet the debt service requirements of the Bonds through June 30, 2026.

THE KENTUCKY GENERAL ASSEMBLY IS UNDER NO OBLIGATION TO MAKE APPROPRIATIONS FOR RENTAL PAYMENTS TO THE CABINET OR THE SUBLESSEES, NOR IS THE CABINET UNDER ANY OBLIGATION TO RENEW THE LEASE, NOR ARE THE SUBLESSEES UNDER ANY OBLIGATION TO RENEW THEIR SUBLEASES. THE BONDS ARE PAYABLE SOLELY FROM, AND SECURED BY A PLEDGE OF, THE RENTAL PAYMENTS UNDER THE LEASE AND THE SUBLEASES, AND ARE NOT SECURED BY ANY LIEN ON, OR INTEREST IN, THE PROPERTIES CONSTITUTING THE PROJECT OR ANY AMOUNTS DERIVED THEREFROM.

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* Preliminary, subject to change.

Brief descriptions of the Commonwealth, the Commission, the Resolution, the Bonds, the Lease, the Subleases, the Project, the Cabinet, and the Sublessees are included in this Official Statement. Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Resolution. All summaries of documents and agreements in this Official Statement are qualified in their entirety by reference to such documents and agreements, copies of which are available at the Office of Financial Management, 200 Mero Street, 5th Floor, Frankfort, Kentucky 40622, (502) 564-2924. This Official Statement will be posted with the Electronic Municipal Market Access ("EMMA") system.

THE BONDS

General

The Bonds are issuable only as fully registered bonds. The Bonds will be issued in denominations of $5,000 or any integral multiple thereof and will be dated the date of their delivery. The Bonds will bear interest from their dated date, payable semiannually on each April 1 and October 1, commencing on April 1, 2025, at the interest rates set forth on the inside cover page of this Official Statement. Interest on the Bonds will be calculated on the basis of a 360-day year of 12 30-day months. The 15th day of the calendar month before each date established for the payment of the principal, interest, or premium, if any, on the Bonds, whether by maturity, acceleration, or redemption, is the record date established for the Bonds. U.S. Bank Trust Company, National Association, Louisville, Kentucky, is the trustee and paying agent for the Bonds (the "Trustee").

Redemption

Optional Redemption. The Bonds maturing on and after October 1, 2035 are subject to optional redemption at par on October 1, 2034, and on any business day thereafter, in whole or in part, and if in part, in such order of maturity as may be determined by the Commission (less than all of a single maturity to be selected by lot, in such manner as the Trustee may determine), at a redemption price equal to the principal amount thereof, plus accrued interest thereon, without premium.

Selection of Bonds for Redemption. The Commission has directed the Trustee to notify The Depository Trust Company ("DTC"), New York, New York that in the event less than all Bonds are to be redeemed, any such redemption shall be on a pro rata basis in a principal amount equal to authorized denominations of $5,000 or any integral multiple thereof. The Commission and the Trustee are not making any representation relating to, and do not have any responsibility or obligation with respect to, whether DTC will follow the direction to redeem Bonds on a pro rata basis in the event of a partial redemption, as described above.

Notice of Redemption. At least 30 days, but not more than 60 days, before the date fixed for redemption of any Bonds, the Trustee shall cause a notice of redemption to be mailed, by regular, United States first class mail, postage prepaid, to all owners of the Bonds to be redeemed, in whole or in part, at their registered addresses. Failure to mail any such notice or any defect therein in respect of any Bond shall not affect the validity of the redemption of any other Bond. Such redemption notice shall set forth the details with respect to the redemption. Any owner owning at least $1,000,000 in aggregate principal amount of Bonds may request that a second copy of the notice of redemption be sent to a second address provided to the Trustee in writing. The notice of redemption shall set forth the complete title of the related Bonds, the CUSIP numbers, the date of the issue, the serial numbers, the interest rate, the maturity date, the date fixed for the redemption, the redemption price to be paid, and, if less than all of the Bonds of any one maturity then Outstanding shall be called for redemption, the distinctive numbers and letters of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and the place or places of redemption, including the name, address, and phone number of a contact person. The notice of redemption shall also state that on the date fixed for redemption, the redemption price will become due and payable upon each Bond or portion thereof so called for redemption prior to maturity, and that interest thereon shall cease to accrue from and after such date. With respect to an optional redemption of any Bonds, unless moneys sufficient to pay the principal of, interest, and premium, if any, on the Bonds to be redeemed shall have been received by the Trustee before the giving of such notice of redemption, such notice may, at the option of the Commission, state that such redemption shall be conditional upon the receipt of such moneys by the Trustee on or before the date fixed for redemption.

The Trustee also shall send a copy of such notice by registered or certified mail, overnight delivery service, or electronic means for receipt not less than 32 days before such redemption date to DTC; provided, however, that such mailing shall not be a condition precedent to such redemption, and failure to mail any such notice shall not affect the validity of any proceedings for the redemption of Bonds.

A second notice of redemption shall be given within 60 days after the date fixed for redemption in the manner required above to the registered owners of redeemed Bonds which have not been presented for payment within 30 days after the date fixed for redemption.

Any notice mailed as provided above shall be conclusively presumed to have been duly given upon mailing, whether or not the owner of such Bonds receives the notice. Upon the giving of notice and the deposit of funds for the redemption, interest on the Bonds so called for redemption shall cease to accrue after the date fixed for redemption.

Book-Entry-Only System

The Bonds will initially be issued solely in book-entry form, to be held in the book-entry-only system maintained by DTC. So long as such book-entry-only system is used, only DTC will receive or have the right to receive physical delivery of the Bonds, and the Beneficial Owners of the Bonds will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Resolution. For additional information about DTC and the book-entry-only system, see "EXHIBIT D – Book-Entry-Only System" hereto.

SECURITY FOR THE BONDS

The Bonds are not secured by a lien on any properties constituting the Project or any amounts derived therefrom. The principal of, premium, if any, and interest on the Bonds are payable solely from the Bond Fund (as defined herein) and from the rental payments of the Cabinet under the Lease and the Sublessees under the Subleases. See "SUMMARIES OF THE PRINCIPAL DOCUMENTS" herein.

The Kentucky General Assembly has appropriated to the Cabinet amounts sufficient to meet the rental payments under the Lease and, therefore, to permit the Commission to meet the debt service requirements of the Bonds through June 30, 2026.

Under the provisions of the Constitution of the Commonwealth, the Cabinet and the Sublessees are prohibited from entering into financing obligations extending beyond the biennial budget. Appropriations for the rental payments under the Lease and the Subleases are subject to the discretion and approval of the Kentucky General Assembly. There can be no assurance that (i) any such appropriation will be forthcoming in future sessions, or (ii) in the performance of his or her obligation to balance the Commonwealth's biennial budget, the Governor will not reduce or eliminate such appropriations. FAILURE OF THE CABINET TO RECEIVE SUCH APPROPRIATIONS WILL HAVE A MATERIAL ADVERSE EFFECT ON THE COMMISSION'S ABILITY TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COMMISSION AND ARE PAYABLE SOLELY FROM THE REVENUES AND THE FUNDS SPECIFICALLY PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

PLAN OF FINANCE

The proceeds of the Bonds will be used by the Commission and the Cabinet to (i) pay the costs of the Project (as defined herein), and (ii) pay the costs of issuing the Bonds.

The Cabinet will lease the Project from the Commission under the Lease. The Sublessees will sublease the Project from the Cabinet under the Subleases, and amounts payable under the Subleases will be applied to the payment of the principal of, premium, if any, and interest on the Bonds. For additional information on the Sublessees, see "THE STATE AGENCIES" herein.

(Continued on the following page)

SOURCES AND USES OF FUNDS FOR THE BONDS

The following table sets forth the application of the proceeds of the Bonds.

SOURCES:	
Par Amount of Bonds	$[____]
Net Original Issue [Premium/Discount]	[____]
Total Sources:	$[____]
USES:	
Deposit to Construction Fund	$[____]
Costs of Issuance*	[____]
Total Uses:	$[____]

* Includes Underwriters' discount, legal fees, rating agency fees, verification fees, printing costs, and other miscellaneous costs.

THE PROJECT

The Project consists of a portion of the various public projects, including economic development projects and community development projects, funded with proceeds of the Bonds and identified in "EXHIBIT C – The Project" hereto (collectively, the "Project"). The Cabinet will lease the Project from the Commission under the Lease, and the Cabinet will sublease certain portions of the Project to the State Agencies under the Subleases.

THE STATE PROPERTY AND BUILDINGS COMMISSION

General

The Commission is composed of the Governor (who is the Chairman of the Commission), the Lieutenant Governor, the Attorney General, the Secretary of the Finance and Administration Cabinet (who is the Executive Director of the Commission), the Secretary of the Cabinet for Economic Development, the State Budget Director and the State Controller. The Office of Financial Management ("OFM") in the Finance and Administration Cabinet serves as staff to the Commission, and the Executive Director of the OFM serves as Secretary to the Commission. The Commission is an independent agency of the Commonwealth, created by KRS 56.450, with the power, subject to approval by and in cooperation with the Cabinet, to finance the acquisition of real estate and the construction and equipping of building projects, economic development projects, and other public projects for any agency of the Commonwealth.

KRS 56.450(4) authorizes the Commission, on application of any state agency of the Commonwealth, to issue revenue and revenue refunding bonds in the Commission's name in accordance with the provisions of KRS Chapters 56 and 58, secured by and payable solely from all or any part of the revenues derived from the leasing of the project being financed to such state agency. The Commission is authorized to execute lease agreements with those state agencies requesting the Commission to issue the revenue bonds, which leases provide for the payment of lease rentals to the Commission in order to make principal, premium, if any, and interest payments on the revenue bonds issued in the name of the Commission. The Cabinet has applied to the Commission to issue the Bonds secured by revenues from the Lease.

Budgetary Process in the Commonwealth

The Kentucky General Assembly is required by the Kentucky Constitution to adopt measures providing for the Commonwealth's revenues and appropriations for each fiscal year. The Governor is required by law to submit a biennial State Budget ("State Budget") to the Kentucky General Assembly during the legislative session held in each even numbered year. State Budgets have generally been adopted by the Kentucky General Assembly during those legislative sessions, which end in mid-April, to be effective upon the Governor's signature for appropriations commencing for a 2-year period beginning the following July 1. Each State Budget has historically been divided into 2 bills – one devoted to the Executive Branch other than Transportation Cabinet (each, an "Executive Branch Budget"), and a second for the Kentucky Transportation Cabinet (each, a "Kentucky Transportation Cabinet Budget"). The Executive Branch Budgets and Kentucky Transportation Cabinet Budgets collectively comprise the State Budget and authorize the incurrence of indebtedness by agencies of state government, including the Commission, for a variety of purposes.

In the absence of a legislatively enacted budget, the Kentucky Supreme Court has ruled that the Governor has no authority to spend money from the state treasury except where there is a statutory, constitutional, or federal mandate and the Commonwealth may be prevented from expending funds for certain state governmental functions, including the ability to pay, when due, the principal of, premium, if any, and interest on obligations that are subject to appropriation. The Bonds are obligations that are subject to appropriation.

Future Financings of the Commonwealth

The Kentucky General Assembly has delivered bills providing for the Executive Branch Budget and the Kentucky Transportation Cabinet Budget for each biennium ending June 30, 2010, 2012, 2014, 2016, 2018, 2020, 2022, 2024, and 2026. During this time, however, the Kentucky General Assembly approved the Executive Branch Budget and the Kentucky Transportation Cabinet Budget for the biennium ending June 30, 2022 in annual tranches in separate legislative sessions. During the 2019 Regular Session of the Kentucky General Assembly, the Kentucky General Assembly amended the State Budget for the biennium ending June 30, 2020.

The current State Budget governing the biennium ending June 30, 2026, authorizes bond financings for projects totaling a net amount of $4,996.45 million to support various capital initiatives of the Commonwealth. Of the total authorization, $3,346.93 million is General Fund supported, $1,499.52 million is Agency Fund supported, and $150.0 million is Federal Highway Trust Fund ("FHTF") supported through Grant Anticipation Revenue Vehicle Bonds. No additional Road Fund authorizations were appropriated.

As of August 13, 2024, the balance of prior bond authorizations of the Kentucky General Assembly dating from 2010 through 2024 subject to moral obligation or state intercept totals $7,818.58 million. Of these prior authorizations, $5,762.21 million is General Fund supported, $1,743.87 million is Agency Fund supported, $12.50 million is Road Fund supported, and $300.0 million is FHTF supported.

The following table summarizes, in aggregate, by fund type, the information regarding authorized but unissued debt of the Commonwealth that is described in this section.

SUMMARY OF AUTHORIZED BUT UNISSUED DEBT BY FUND TYPE
AS OF AUGUST 13, 2024

Legislative Session (Year)	General Fund (millions)	Agency Fund (millions)	Road Fund (millions)	Federal Fund (millions)	TOTAL (millions)
2010	$19.34	$17.50			$36.84
2012	1.70		$12.50		14.20
2014	5.22				5.22
2016	16.27				16.27
2018	150.38				150.38
2019	33.01				33.01
2020 – 2021	347.98	36.65			384.63
2022 – 2024	1,841.37	190.20		$150.00	2,181.57
2024 – 2026	3,346.93	1,499.52		150.00	4,996.45
TOTAL	$5,762.21	$1,743.87	$12.50	$300.00	$7,818.58

The Kentucky General Assembly may authorize debt financing to support various capital initiatives or funding obligations of the Commonwealth in future sessions. Bonds may also be issued to refund outstanding Commission or Kentucky Asset/Liability Commission ("ALCo") bonds and notes.

THE FINANCE AND ADMINISTRATION CABINET

General. The Cabinet, created and governed by the provisions of KRS 12.020 and KRS Chapter 42, is a statutory administrative organization of the Commonwealth headed by the Secretary of the Cabinet, who is appointed by the Governor. The Secretary of the Cabinet is the chief financial officer of the Commonwealth and shall, at all times, protect the financial interests of the Commonwealth. Cabinet functions include: (1) coordination and supervision of the fiscal affairs and fiscal procedures of the Commonwealth; (2) accounting, fiscal reporting and auditing of Commonwealth accounts; (3) purchasing, storekeeping, and control of property and stores; (4) construction, maintenance, and operation of public buildings, except those provided for the exclusive use of certain agencies; (5) providing administrative services of a financial nature to other agencies of state government; (6) investment and management of all Commonwealth funds other than pension funds; and (7) oversight of the issuance and management of all debt incurred in the name of the

Commonwealth or any agency thereof, other than public-private partnership obligations of the Kentucky Communication Network Authority. The following departments and offices, among others, are within the Cabinet:

Department of Facilities and Support Services. The Department of Facilities and Support Services is responsible for the Commonwealth's capital construction program; real property acquisition, disposition, and leasing services; the daily operation and maintenance of state-owned office properties; and surplus property services.

Department of Revenue. The Department of Revenue is responsible for the administration and enforcement of all state revenue laws and for the assessment and collection of state taxes. The Department of Revenue bills and collects the tax revenue necessary to support the state services provided by the Commonwealth.

Commonwealth Office of Technology ("COT"). The Commonwealth Office of Technology is currently headed by the Commonwealth's Chief Information Officer (and Commissioner of Technology). The agency carries out the functions necessary for the efficient, effective and economical administration of information technology and resources within the Executive Branch. These duties include overseeing shared Information Technology ("IT") infrastructure resources and services; developing and implementing statewide IT applications; establishing IT policy and standards, strategic and tactical IT planning, assessing; recommending and implementing IT governance and organization design; and establishing partnerships and alliances for effective implementation of IT projects.

Office of the Controller. The Office of the Controller is responsible for all state accounting policies and procedures, cash management, and strategic financial planning. The Controller serves as the Commonwealth's chief accounting officer. The office maintains internal accounting controls, operates the statewide accounting system, and reports the results of financial operations to management and the public. The office works closely with other agencies to coordinate the program, budget, and cost management components of the Commonwealth long-range business planning process. The Office of Financial Management, under the Controller's Office, is responsible for the debt and cash investment management of the Commonwealth.

THE STATE AGENCIES

The cabinets, departments, and administrative bodies listed below (each, a "State Agency" and collectively, the "State Agencies") are identified in an enacted State Budget to receive bond proceeds for the Project and are represented on the Project List set forth in "EXHIBIT C – The Project" hereto.

Cabinet for Economic Development

The Cabinet for Economic Development ("CED") is the primary state agency in Kentucky encouraging job creation, retention, and business investment in Kentucky. Programs administered by the CED are designed to support and promote economic development within the state, primarily by attracting new industries, assisting in the development of existing industries, leading a statewide network of support for entrepreneurs, small business owners, and knowledge-based start-up entities, and assisting communities in preparing for economic development opportunities. By statute, the CED is governed by the Kentucky Economic Development Partnership (or the Partnership Board). The Partnership Board is responsible for directing and overseeing the CED and adopting a Strategic Plan. The Kentucky Economic Development Finance Authority ("KEDFA") is an agency, instrumentality, and political subdivision of the Commonwealth under the authority of the Partnership Board. KEDFA is responsible for awarding most of the financial incentives offered by the CED.

Department for Local Government

The Department for Local Government ("DLG") provides financial help in the way of grant and loan assistance, as well as advising local governments in matters of budget, personnel, and other items relevant to those entities. The mission of DLG is to empower partners with effective advocacy, information, and funding resources. DLG includes 5 divisions: Office of Financial Management and Administration, Office of Federal Grants, Office of State Grants, Office of Legal Services, and Office of Field Services. The Kentucky Infrastructure Authority ("KIA") is also administratively attached to DLG. DLG also partners with the state's 15 Area Development Districts in serving the local governments of the Commonwealth.

Council on Postsecondary Education

The Council on Postsecondary Education ("CPE"), created and governed by the provisions of KRS 164.011, is an agency, instrumentality and political subdivision of the Commonwealth. It is composed of the Commissioner of Education, a faculty member, a student member, and 13 citizen members appointed by the Governor. Its work involves coordinating the change and improvement of Kentucky postsecondary education. It is responsible for general planning and oversight of a system that includes the 8 public universities of the Commonwealth and the Kentucky Community and Technical College System ("KCTCS"), and licenses non-profit and for-profit higher education institutions to operate in the Commonwealth. CPE's role includes developing a strategic plan, measures of efficiency, educational attainment, and effectiveness, approving all educational programs, monitoring tuition and admission rates, and housing a database of information. Information on each of the individual institutions can be found at cpe.ky.gov/campuses/state.html.

Cabinet for Health and Family Services

General. The Cabinet for Health and Family Services ("CHFS") is composed of 9 main agencies directed toward the goal of fostering a coordinated approach to healthcare issues in Kentucky. The 9 program agencies are as follows: Department for Aging and Independent Living; Commission for Children with Special Health Care Needs; Department for Community Based Services; Department for Family Resource Centers and Volunteer Services; Office of Health Policy; Department for Income Support; Department for Medicaid Services; Department for Behavioral Health, Developmental and Intellectual Disabilities and Department for Public Health.

Department for Behavioral Health, Developmental and Intellectual Disabilities. The mission of the Department for Behavioral Health, Developmental and Intellectual Disabilities ("DBHDID") is to provide leadership, in partnership with others, to prevent disability, build resilience in individuals and their communities, and facilitate recovery for people whose lives have been affected by mental illness, substance abuse, or intellectual disability or other developmental disability. Organizationally, DBHDID has 3 divisions, which include the Division of Behavior Health, the Division of Developmental and Intellectual Disabilities, and the Division of Program Integrity. Collectively, DBHDID's responsibilities include the administration of state and federally funded mental health and substance abuse treatment services throughout the Commonwealth. DBHDID provides a wide range of services, including, but not limited to, community residential support, crisis intervention, peer support for youth and adults, supported employment and housing, therapeutic rehabilitation programs, and more.

Department for Community Based Services. The mission of the Department for Community Based Services is to build an effective and efficient system of care with Kentucky citizens and communities to: reduce poverty, adult maltreatment, and their effects; advance person and family self-sufficiency, recovery, and resiliency; assure all children have safe and nurturing homes and communities; and recruit and retain a workforce and partners that operate with integrity and transparency. Services are administered through 9 service regions with offices serving all 120 Kentucky counties.

Department for Income Support. The Department for Income Support provides programs and services for enforcement of child support and disability determination. The Child Support Enforcement program helps parents and legal guardians of minor children with enforcement of child support obligations, court orders, and collections of support from noncustodial parents. Program staff for Disability Determination Services uses federal guidelines and regulations to determine eligibility for both Supplemental Security Income and Social Security Disability Income.

Department for Public Health. The mission of the Kentucky Department for Public Health ("KDPH") is to improve the health and safety of people in Kentucky through prevention, promotion, and protection. KDPH is the sole organizational unit of Kentucky's state government responsible for developing and operating state public health programs and activities for the citizens of Kentucky. KDPH oversees programs designed to improve the lives of citizens and visitors through prevention of negative health outcomes, promotion of healthy lifestyles, and protection from diseases, injury, and environmental health impacts. KDPH has approximately 150 different programs to help Kentuckians become healthier in cooperation with its partners such as local health departments, universities, and private providers.

Energy and Environment Cabinet

General. The Energy and Environment Cabinet is responsible for enforcing laws relating to natural resources and the environment. It keeps citizens safe and healthy while supporting a positive business climate. The Energy and Environment Cabinet is composed of 2 main departments, the Department for Natural Resources and the Department for Environmental Protection, and several offices, including the Office of Energy Policy and the Office of Kentucky Nature Preserves.

Department for Environmental Protection. The Kentucky Department for Environmental Protection ("DEP") protects and enhances Kentucky's environment through its divisions of Air Quality, Waste Management, Water, Enforcement, and Compliance Assistance. The importance of DEP's mission arises from the direct impact it has on Kentucky's public health, the safety of Kentucky citizens and the quality of Kentucky's valuable natural resources.

Department for Natural Resources. The Department for Natural Resources ("DNR") provides technical assistance, education, and funding to help landowners, institutions, industries, and communities conserve and sustain Kentucky's natural resources. In addition, DNR also inspects timber harvests and mining operations in order to ensure the protection of Kentucky's citizenry, environment, and workers.

Kentucky Infrastructure Authority

KIA was created to provide a mechanism for funding in the way of grant and loan assistance to communities for water and wastewater needs. Through the various programs currently offered, KIA has become a supplement for local financing needs. KIA administers the Infrastructure for Economic Development Funds Bond Pool projects. KIA also administers the Water and Sewer Resources Development Funds Bond Pool Projects, in addition to the following 5 programs:

The Clean Water State Revolving Fund Loan Program ("Fund A") is used to finance local wastewater treatment facilities and nonpoint source projects that qualify under the United States Environmental Protection Agency ("EPA") requirements of the Clean Water Act. The state match for Fund A projects is funded through bonds supported by General Fund appropriations. Revolving Fund Revenue Bonds are secured by loan repayments on wastewater and drinking water loans and interest earnings on obligations that have been pledged under the related trust indenture. These bonds are special and limited obligations of KIA and are not secured by a moral obligation pledge of the Commonwealth.

The Infrastructure Revolving Loan Program ("Fund B") provides funding for utilities and other public services projects. Fund B also includes the 2020 Water Service Account that provides funding for drinking water projects and improvements to drinking water systems. General Fund appropriations are the source of payment for Fund B bonds.

The Governmental Agencies Program ("Fund C") is a pooled loan program that seeks to provide local governmental agencies access to funding at better terms than could be obtained on an individual basis. Financing for approved projects is provided through the issuance of Fund C bonds secured by local governmental agency receipts.

The Drinking Water State Revolving Fund Loan Program ("Fund F") program is used to finance local drinking water treatment facilities that qualify under the EPA requirements of the Safe Drinking Water Act. The state match for Fund F projects is funded through bonds by General Fund appropriations. Revolving Fund Revenue Bonds are secured by loan repayments on wastewater and drinking water loans and interest earnings on obligations that have been pledged under the related trust indenture. These bonds are special and limited obligations of KIA and are not secured by a moral obligation pledge of the Commonwealth.

The Water Management Assistance Fund was created to assist utilities which are financially at risk. The program was initially funded by a direct appropriation from the General Fund.

In addition, KIA also administers the federally funded Cleaner Water Program. The Kentucky General Assembly appropriated $500 million from the Commonwealth's Coronavirus State and Local Fiscal Recovery Fund award from the United States Treasury to be used as grants for water and wastewater infrastructure projects.

School Facilities Construction Commission

The School Facilities Construction Commission is responsible for providing an equitable distribution of Commonwealth funding for school construction and technology based on the unmet needs of Kentucky's 171 school districts.

Department of Veterans' Affairs

The Department of Veterans' Affairs ("KDVA") mission is to ensure Kentucky's 295,000 veterans and their families receive all the benefits and services they have earned. KDVA provides benefits counseling, skilled long-term care at state veterans' centers, dignified interment at state veterans' cemeteries, health care, education, employment, and special programs for women veterans, homeless veterans, and others.

Justice and Public Safety Cabinet

General. The Kentucky Justice and Public Safety Cabinet ("JPSC") is responsible for criminal justice services, which encompasses law enforcement activities and training; prevention, education, and treatment of substance abuse; juvenile treatment and detention; adult incarceration; autopsies, death certifications, and toxicology analyses; special investigations; paroling of eligible convicted felons; and long range planning and recommendations on statewide criminal justice reform issues. There are 5 departments within the JPSC: the Department of Kentucky State Police, the Department of Corrections, the Department of Juvenile Justice, the Department of Criminal Justice Training, and the Department of Public Advocacy. The JPSC also administers the Office of the State Medical Examiner and the Office of Drug Control Policy.

Department of Kentucky State Police. The Kentucky State Police ("KSP") was established in 1948 and is vested with the responsibility of protecting Kentucky communities and roadways. KSP takes pride in promoting public safety through service, integrity, and professionalism while partnering with the citizens they have sworn to protect.

Department of Corrections. The mission of the Department of Corrections is to protect the citizens of the Commonwealth; to provide a safe, secure, and humane environment for staff and offenders in carrying out the mandates of the legislative and judicial processes; and to provide opportunities for offenders to acquire skills which facilitate non-criminal behavior.

Department of Criminal Justice Training. The mission of the Department of Criminal Justice Training is to provide quality criminal justice training and services that advance the ability of Kentucky law enforcement to create a safe, secure environment in which to reduce crime and its cost to society.

Department of Juvenile Justice. The Department of Juvenile Justice is responsible for the administration of prevention programs for at-risk youth across the Commonwealth, as well as court intake, pre-trial detention, residential placement/treatment services, probation, community aftercare and reintegration programs, and the confinement of youth awaiting adult placement or court.

Tourism, Arts and Heritage Cabinet

General. The Kentucky Tourism, Arts and Heritage Cabinet is dedicated to fostering and promoting the state's rich heritage as well as continuing Kentucky's long history of being a premier travel destination. It encourages and provides support in market development for Kentucky artists, historic downtown redevelopment, equine headquarters promotion, recreation opportunities, attracting international trade shows/sporting events, and expanding museums and special exhibits.

This Cabinet includes the following agencies: the Department of Tourism, the Department of Parks, the Department of Fish and Wildlife Resources, the Kentucky Historical Society, the Kentucky Humanities Council, the Kentucky Heritage Council, the Kentucky Venues, the State Fair Board, the Center for African American Heritage, the Kentucky Performing Arts, the Governor's School for the Arts, the Kentucky Artisan Center in Berea, the Kentucky Arts Council, and the Kentucky Horse Park. The Office of Research and Administration, as a part of this Cabinet, has a primary mission to provide up-to-date statistical analysis of tourism trends to facilitate a successful tourism marketing campaign.

Kentucky Center for the Arts. The mission of The Kentucky Center for the Performing Arts (the "Center") is to lead and enrich the artistic, educational, and economic vitality of the region by providing unparalleled programming and cultural events. The Center is home to many of Louisville's major arts organizations, including The Louisville Orchestra, Kentucky Opera, Louisville Ballet, Stage One, and PNC Bank Broadway Across America – Louisville.

Kentucky Heritage Council. The mandate of the Kentucky Heritage Council is to identify, preserve, and protect the cultural resources of Kentucky. The Council also maintains continually updated inventories of historic structures and archaeological sites and nominates properties to the National Register of Historic Places.

Kentucky Department of Parks. The Department of Parks was created in 1924 by the Kentucky General Assembly and has grown to include 44 parks and historical sites and 1 interstate park. These parks have facilities for meetings and conferences with accommodations and camping, golf, and education. The Department of Parks maintains campgrounds and trails and offers full service state resort parks.

Kentucky Historical Society. The Kentucky Historical Society ("KHS") engages the public in the exploration of the Commonwealth's diverse heritage. Through comprehensive and innovative services, interpretive programs, and stewardship, KHS provides connections to the past, perspective on the present, and inspiration for the future. KHS has more than 3,900 members and more than 1,300 junior members to whom it provides support and educational services, and KHS' outreach programs collaborate with more than 430 local historical organizations. KHS is administered by an executive committee and is supported by the KHS Foundation, a 501(c)(3) organization.

Kentucky Horse Park. The mission of the Kentucky Horse Park is to celebrate Kentucky's relationship with the horse through education, exhibition, engagement and competition. In addition to being one of the Commonwealth's most popular tourist destinations, it is known for world-class competition facilities that host prestigious equine shows and competitions.

Kentucky State Fair Board. The Kentucky State Fair Board (the "State Fair Board") was established in 1938, at which time it undertook the responsibility for managing the annual Kentucky State Fair. In 1950, the State Fair Board began construction of the Kentucky Fair & Exposition Center, one of the largest exposition facilities of its kind at that time, located in Louisville, Kentucky, and managed by the State Fair Board. Since its initial construction, the State Fair Board has expanded the Kentucky Fair & Exposition Center many times. The State Fair Board also manages the Kentucky International Convention Center located in downtown Louisville, Kentucky.

The State Fair Board is charged with stimulating the public interest in the Commonwealth facilities by providing the Kentucky Fair & Exposition Center and the Kentucky International Convention Center for exhibitions, conventions, trade shows, public gatherings, cultural activities, and other functions, thereby promoting the tourism industry and economy of the Commonwealth while serving the entertainment, cultural, and educational interests of the public. The Kentucky Fair & Exposition Center includes arenas and theaters, such as Freedom Hall, Cardinal Stadium, Broadbent Arena, and New Market Hall, and exhibit halls and convention center space. Annual events at the Kentucky Fair & Exposition Center include the Kentucky State Fair, the National Farm Machinery Show, the North American International Livestock Convention, and many other conventions and events.

Education and Labor Cabinet

General. The Education and Workforce Development Cabinet and Labor Cabinet were consolidated on July 1, 2022, establishing the Education and Labor Cabinet. Agencies of the Cabinet are as follows: Kentucky Commission on the Deaf and Hard of Hearing, Department of Workforce Development, Department of Education, Kentucky Occupational Safety and Health Review Commission, Kentucky Occupational Safety and Health Standards Board, Kentucky Educational Television, Department for Libraries and Archives, Kentucky Environmental Education Council, State Labor Relations Board, Workers' Compensation Funding Commission, Kentucky Geographic Education Board, Kentucky Commission on Proprietary Education, Employers' Mutual Insurance Authority, Workers' Compensation Nominating Committee, Kentucky Work Ready Skills Advisory Committee, Foundation for Adult Education, and Board of Directors for the Center for School Safety.

Department of Education. The Kentucky Department of Education ("DOE") provides services and resources to Kentucky's public school system, preschool through twelfth grade. The DOE's responsibilities include data reporting, assistance to local school districts, assessment and accountability for school improvement, and implementation of state and federal education legislation. Some of the DOE's activities include administering the statewide assessment and accountability system; providing technical assistance to schools and districts in the areas of finance, management and curriculum; providing support and information to the Kentucky Board of Education as it promulgates state education regulations; overseeing the state's education technology system; and monitoring school and district compliance with state and federal laws.

Department of Workforce Development. The Department of Workforce Development connects Kentuckians to employment, workforce information, education, and training to ensure that workers in the Commonwealth are equipped with necessary training and skills needed to compete in the global economy.

Kentucky Educational Television. Kentucky Educational Television's ("KET") mission is education. As a leader in lifelong learning, KET is in every Kentucky community providing in-school and at-home educational programs for children and adults, as well as professional development seminars for educators and training programs for childcare providers. As Kentucky's only statewide public media resource, KET serves the Commonwealth via digital and high-definition broadcast technology, producing and presenting programming unique to Kentucky. These programs explore Kentucky's history, arts and culture and connect citizens to important events, issues and public affairs.

Department of Military Affairs

The Kentucky Department of Military Affairs ("DMA") is a diverse organization within state government, having both a state government organizational component and a federal government component under the Office of the Adjutant General for Kentucky. The 6 state divisions of DMA include Administrative Services Division, Bluegrass Station, Youth Challenge, Emergency Management, Kentucky Logistics Operation Center, and Facilities. Functions of these programs include coordination of an emergency management system of mitigation, preparedness, response, and recovery to protect the lives, environment, and property of Kentucky citizens.

Office of the Attorney General

The Office of the Attorney General, established by Section 91 of the Constitution of the Commonwealth and created and governed by the provisions of KRS Chapter 15, serves several roles under Kentucky law including the state's chief prosecutor, the state's chief law enforcement officer, and the state's chief law officer. The Office of the Attorney General is divided into 3 divisions: the Criminal Division, the Civil Division, and the Appellate Division. Priorities of these divisions include defending the Commonwealth; protecting Kentuckians; fighting the drug epidemic; justice for crime victims; partnering with law enforcement; and government transparency.

Transportation Cabinet

The Transportation Cabinet is responsible for the construction, reconstruction, and maintenance of the Commonwealth's primary road system, which carries an estimated 85% of the Commonwealth's motor vehicle traffic. The system consists of parkways, interstate highways, primary roads, secondary roads, rural secondary roads, and supplemental roads, and includes nearly 9,000 bridges. Additionally, the Transportation Cabinet provides direction for licensed airports and heliports throughout the Commonwealth.

Kentucky Communications Network Authority

The Kentucky Communications Network Authority ("KCNA") manages and oversees the KentuckyWired network, the Commonwealth's open-access broadband network. KentuckyWired is focused on meeting current needs for government locations and, more importantly, on positioning the Commonwealth to be a national leader in high-capacity internet service connections that promote economic development, enhance education and research capabilities, ensure public safety, improve healthcare delivery, and augment connectivity for libraries and communities.

Administrative Office of the Courts

The Administrative Office of the Courts ("AOC") is the operational arm of the Kentucky Court of Justice. AOC is primarily responsible for carrying out various duties mandated by the Kentucky Constitution, including (i) preparing and administering the Judicial Branch Budget, (ii) constructing and maintaining court facilities in the Commonwealth, (iii) maintaining court statistics through a statewide case management database, (iv) supervising the state law library, (v) overseeing pretrial and juvenile services, drug court, and mediation programs, (vi) administering personnel policies and payroll for court personnel, and (vii) providing educational programs for judges, circuit court clerks, and support staff.

THE COMMONWEALTH

The Commonwealth of Kentucky, nicknamed the Bluegrass State, was the 15th state. Kentucky is bounded by the Ohio River to the north and the Mississippi River to the west, and is bordered by the states of Illinois, Indiana, Ohio, West Virginia, Tennessee, Missouri, and the Commonwealth of Virginia. Within a day's drive of 2/3 of the population of the United States, Kentucky is located at the center of a 34 state distribution area in the eastern United States. Kentucky's location advantages facilitate the distribution of goods and materials to an industrial and consumer market.

Kentucky has established a diverse economic climate that supports businesses internationally. In 2023, Kentucky's total exports reached a record breaking $40.2 billion in goods and services shipped abroad, representing a 16.6% year-over-year increase. As shown on the Kentucky Cabinet for Economic Development website (https://ced.ky.gov/), Kentucky ranks as number one in vehicle production per capita. Today, Kentucky is home to 4 automotive producers representing 3 of the world's leading manufacturers – Ford, General Motors, and Toyota. In the largest economic development project in Kentucky's history, Ford Motor Company and SK On will build 2 electric vehicle (EV) battery plants at the BlueOval SK Battery Park. This $5.8 billion project will produce batteries for the next generation of Ford and Lincoln EVs, making it one of the largest EV battery production sites globally. BlueOval SK Battery Park will also train 5,000 workers at a new training center located on the 1,500-acre BlueOval SK Battery Park site.

Kentucky has experienced unprecedented successes in job and investment growth during the past several years. 2021 and 2022 were the two strongest years in state history for both job announcements and investments – with $21.7 billion of new investment announcements representing over 34,000 new jobs. As of November 2023, Kentucky has seen nearly $4 billion of new investment announcements.

Kentucky's plan to continue its economic success focuses on 5 priority sectors that are expected to impact the Commonwealth's overall economic performance. The first priority sector is automotive. Kentucky is connected to both the Midwest and the South and boasts an extensive network of automotive production facilities and suppliers across the Commonwealth. The second priority factor is manufacturing. Kentucky has a strong base in material manufacturing, with specific expertise in a range of metals, plastics and rubber, and chemicals. The third priority sector is natural assets. Kentucky's geography facilitates the distribution of both raw materials and finished products to a massive industrial and consumer market. Kentucky is also currently home to several of the world's logistics industry leaders, including 3 major air-cargo delivery hubs managed by UPS, Amazon, and DHL. The fourth priority sector is business, finance, and professional services, and the fifth priority sector is investing in high potential opportunities.

As indicated in the Commonwealth of Kentucky Quarterly Economic & Revenue Report Fourth Quarter Fiscal Year 2024 (which may be found, together with the previous quarterly reports, at https://osbd.ky.gov), Kentucky personal income grew by 5.4% in the fourth quarter of FY24, which is above the national growth rate of 4.7%. The last 10 adjacent-quarter growth rates for Kentucky personal income are: 1.3, 0.8, 0.7, 0.5, 2.6, 0.6, 1.4, 0.8, 1.7, and 1.3%, respectively. Kentucky wages and salaries income was the fastest growing component of Kentucky personal income in the fourth quarter of FY24. Kentucky wages and salaries income grew by 7.1% in the fourth quarter of FY24, as compared to the fourth quarter of FY23, and made up 50.3% of total Kentucky personal income in the fourth quarter of FY24.

Kentucky non-farm employment rose by 1.0% in the fourth quarter of FY24, as compared to the fourth quarter of FY23, marking the 16th consecutive adjacent-quarter gain for Kentucky non-farm employment. The last 10 adjacent-quarter growth rates for Kentucky non-farm employment are: 0.6, 0.8, 0.9, 0.6, 0.9, 0.3, 0.3, 0.1, 0.2, and 0.3%, respectively. The fastest growing industry in Kentucky during the fourth quarter of FY24 was mining employment, which grew 6.1%. Kentucky educational services made up 15.2% of total non-farm employment in the third quarter of FY24. Job increases during the fourth quarter of FY24, as compared to the fourth quarter of FY23, were led by (i) educational services, with approximately 15,900 more jobs; (ii) government, with approximately 6,500 more jobs; and (iii) construction, with approximately 3,600 more jobs.

Kentuckians' personal income is projected to grow 4.8% over the forecast horizon. Wages and salaries income, the largest component of Kentucky personal income, is projected to increase by 4.7% over the first 3 quarters of FY25. Kentucky's non-farm employment is anticipated to increase 1.1% over the next 3 fiscal quarters, adding 22,800 annualized jobs to the Commonwealth's economy. In addition, 9 of the 11 supersectors in Kentucky are forecasted to experience varying degrees of employment gains over the first 3 quarters of FY25.

Financial Information Regarding the Commonwealth

Information regarding the debt issuing authorities of the Commonwealth is set forth in "EXHIBIT A – Debt Information Pertaining to the Commonwealth of Kentucky" hereto. Information regarding projects for the benefit of the Commonwealth financed under public private partnerships is included in "EXHIBIT B – Projects for the Benefit of the Commonwealth of Kentucky Financed Under Public Private Partnerships" hereto. A table summarizing annual aggregate debt service supported by appropriations of the Commonwealth's General Fund for debt issued by the Commission, ALCo, and the School Facilities Construction Commission is set forth in Table II of EXHIBIT A attached hereto.

The Commonwealth annually publishes The Kentucky Annual Comprehensive Financial Report ("ACFR") with respect to the fiscal year of the Commonwealth most recently ended. The ACFR includes certain financial statements of the Commonwealth, as well as general financial information pertaining to the Accounting System and Budgetary Controls, Debt Administration, Cash Management, Risk Management, General Fund Budgetary Basis, and Governmental Funds GAAP Basis. In addition, the Notes to Financial Statements set forth in the ACFR contain information regarding the basis of the preparation of the Commonwealth's financial statements, funds, and pension plans. The "Statistical Section" of the ACFR includes information regarding Commonwealth revenue sources, Commonwealth expenditures by function, taxes and tax sources, taxable property, assessed and estimated values, property tax, levies and collections, demographic statistics (population, per capita income, and unemployment rate), construction and bank deposits, sources of personal income, and largest Commonwealth manufacturers.

(Continued on the following page)

Certain Financial Information Incorporated by Reference

The Commonwealth's ACFR for the Fiscal Year ended June 30, 2023 is hereby incorporated herein by reference. The Commonwealth filed the ACFR for the Fiscal Year ended June 30, 2023 with the following official repository for municipal securities disclosures under Securities and Exchange Commission Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"):

Municipal Securities Rulemaking Board
Electronic Municipal Market Access System
Internet: http://emma.msrb.org

A copy of the Commonwealth's ACFR may be obtained from EMMA. Additionally, the ACFR for the Fiscal Year ended June 30, 2023 and certain other fiscal years can be found at https://finance.ky.gov/office-of-the-controller/office-of-statewide-accounting-services/financial-reporting-branch/Pages/annual-comprehensive-financial-reports.aspx.

Only the information contained on the web page identified above is incorporated herein, and no additional information that may be reached from such page by linking to any other page should be incorporated herein.

The Commission will enter into a Continuing Disclosure Agreement (as defined herein) with respect to the Bonds to enable the Underwriters to comply with the provisions of Rule 15c2-12. See "CONTINUING DISCLOSURE" herein and "EXHIBIT F – Form of Continuing Disclosure Agreement" hereto. In addition, ongoing financial disclosure regarding the Commonwealth will be available through the filing by the Commonwealth of 2 documents entitled The Kentucky Annual Comprehensive Financial Report and Supplementary Information to the Kentucky Annual Comprehensive Financial Report (or any successor reports) with EMMA, as required under Rule 15c2-12.

Fiscal Year 2020

The Commonwealth's combined net position (governmental and business-type activities) totaled $(11.5) billion at the end of fiscal year 2020, as compared to $(14.2) billion at the end of the previous year.

The largest portion of the Commonwealth's net position, $24.4 billion, is net investment in capital assets (e.g. land, infrastructure, buildings and improvements, and machinery and equipment), minus any related debt, which is still outstanding and used to acquire those assets. The Commonwealth uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. The second largest portion of the Commonwealth's net position, totaling $1.6 billion, is restricted and represents resources that are subject to either external restrictions or legislative restrictions on how they may be used. The remaining balance is unrestricted net position. The unrestricted net position, if they have a positive value, could be used at the Commonwealth's discretion. However, the unrestricted balance is $(37.6) billion; therefore, funds are not available for discretionary purposes. A contributing factor to the negative balance is that liabilities are recognized on the government-wide statement of net position when the obligation is incurred. Accordingly, the Commonwealth recognizes long-term liabilities (such as general bonded debt, compensated absences, unfunded employer pension cost, and contingent liabilities) on the statement of net position.

The Commonwealth received program revenues of $17.0 billion and general revenues (including transfers) of $16.7 billion for total revenues of $33.7 billion during fiscal year 2020. Expenses for the Commonwealth during fiscal year 2020 were $31.0 billion, the total net position of the Commonwealth increased in the amount of $2.7 billion, net of contributions, transfers and special items.

The governmental activities resulted in an increase in the Commonwealth's net position by $3.6 billion. Approximately 46.0% of the governmental activities' total revenue came from taxes, while 46.0% resulted from grants and contributions (including federal aid). Overall, program revenues were insufficient to cover program expenses for governmental activities. Therefore, the net program expenses of these governmental activities were supported by general revenues, mainly taxes. At June 30, 2020, the Commonwealth's governmental funds reported combined ending fund balances of $3.0 billion, a net increase of $584.1 million in comparison with the prior year. $5.4 million is non-spendable and is comprised of inventories, notes receivables, cash with fiscal agents, and restricted cash that must remain intact. The $2.3 billion is restricted for certain purposes and is not available to fund current operations. The $668.8 million is considered unrestricted (committed, assigned, or unassigned). When the unrestricted balance is positive it is available for spending either at the government's discretion or upon legislative approval.

The General Fund is the primary operating fund of the Commonwealth. The fund balance at June 30, 2020, was $610 million. The balance reported reflects an increase of $377.5 million from the previously reported amount. The major factor for the increase in fund balance was increased tax revenue and the reduction of TRS Pension and Other

Post Employment Liabilities. On August 19, 2020, the State Budget Director reported a General Fund Surplus deposit of $162.5 million to the Budget Reserve Trust Fund. The deposit brought the total balance to $465.7 million, or 4% of General Fund revenue.

The major special revenue funds experienced normal cyclical changes in revenues and expenditures. The revenues increased by $1.59 billion from the previous year, a change of 10.6%. Expenditures increased by $1.6 billion from the previous year, a change of 11.0%. The Transportation Fund experienced a slight decrease in revenues and a decrease in expenditures, resulting in an increase in fund balance of $238 thousand.

During fiscal year 2020, the Commonwealth's bonded debt decreased by $317 million to $5.9 billion, a 5.1% decrease. The major factor in this decrease was the result of the refunding of old issues by the FY20 new issues. The remaining liability on the retired bonds, plus the FY20 principal payments on the remaining bonds outstanding, were greater than the FY20 issues for new projects. No general obligation bonds were authorized or outstanding as of June 30, 2020.

Fiscal Year 2021

The Commonwealth's combined net position (governmental and business-type activities) totaled $(5.4) billion at the end of fiscal year 2021, as compared to $(11.6) billion at the end of the previous year.

The largest portion of the Commonwealth's net position, $25.0 billion, is net investment in capital assets (e.g., land, infrastructure, buildings and improvements, and machinery and equipment), minus any related debt, which is still outstanding and used to acquire those assets. The Commonwealth uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. The second largest portion of the Commonwealth's net position, totaling $2.4 billion, is restricted and represents resources that are subject to either external restrictions or legislative restrictions on how they may be used. The remaining balance is unrestricted net position. The unrestricted net position, if they have a positive value, could be used at the Commonwealth's discretion. However, the unrestricted balance is $(32.8) billion; therefore, funds are not available for discretionary purposes. A contributing factor to the negative balance is that liabilities are recognized on the government-wide statement of net position when the obligation is incurred. Accordingly, the Commonwealth recognizes long-term liabilities (such as general bonded debt, compensated absences, unfunded employer pension cost, and contingent liabilities) on the statement of net position.

The Commonwealth received program revenues of $21.5 billion and general revenues (including transfers) of $18.0 billion for total revenues of $39.5 billion during fiscal year 2021. For fiscal year 2021, expenses for the Commonwealth were $33.4 billion, and the total net position of the Commonwealth increased by $6.2 billion, net of contributions, transfers, and special items.

The governmental activities resulted in an increase in the Commonwealth's net position by $5.7 billion. Approximately 42.0% of the governmental activities' total revenue came from taxes, while 50.6% resulted from grants and contributions (including federal aid). Overall, program revenues were not sufficient to cover program expenses for governmental activities. Therefore, the net program expenses of these governmental activities were supported by general revenues, mainly taxes. At June 30, 2021, the Commonwealth's governmental funds reported combined ending fund balances of $5.4 billion, a net increase of $2.4 billion in comparison with the prior year. Of that $5.4 billion in governmental funds, $73.5 million is non-spendable and is comprised of inventories, notes receivables, cash with fiscal agents, and restricted cash that must remain intact, $2.8 billion is restricted for certain purposes and is not available to fund current operations, and $2.5 billion is considered unrestricted (committed, assigned, or unassigned). When the unrestricted balance is positive, it is available for spending either at the government's discretion or upon legislative approval.

The General Fund is the primary operating fund of the Commonwealth. The fund balance at June 30, 2021, was $2.5 billion. The balance reported reflects an increase of $1.9 billion from the previously reported amount. The major factor for the increase in fund balance was increased tax revenue and the reduction of TRS Pension and Other Post Employment Liabilities. On August 4, 2021, the State Budget Director reported a General Fund surplus deposit of $1.17 billion to the Budget Reserve Trust Fund. The deposit brought the total balance to $1.92 billion, or 16% of General Fund appropriations.

The major special revenue funds experienced normal cyclical changes in revenues and expenditures. Fiscal year 2021 revenues increased by $4.4 billion from the previous year, a change of 26.7%. Fiscal year 2021 expenditures increased by $4.0 billion from the previous year, a change of 25.1%. The Transportation Fund experienced a slight increase in revenues and a decrease in expenditures, resulting in an increase in fund balance of $246.8 million.

During fiscal year 2021, the Commonwealth's bonded debt decreased by $532.2 million to $5.7 billion, an 8.6% decrease. The major factor in this decrease was the result of the refunding of old issues by the FY21 new issues. The remaining liability on the retired bonds, plus the FY21 principal payments on the remaining bonds outstanding, were greater than the FY21 issues for new projects. No general obligation bonds were authorized or outstanding as of June 30, 2021.

Fiscal Year 2022

The Commonwealth's combined net position (governmental and business-type activities) totaled $2.4 billion at the end of fiscal year 2022, as compared to $(5.8) billion at the end of the previous year.

The largest portion of the Commonwealth's net position, $25.8 billion, is net investment in capital assets (e.g. land, infrastructure, buildings and improvements, and machinery and equipment), minus any related debt, which is still outstanding and used to acquire those assets. The Commonwealth uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. The second largest portion of the Commonwealth's net position, totaling $3.4 billion, is restricted and represents resources that are subject to either external restrictions or legislative restrictions on how they may be used. The remaining balance is unrestricted net position. The unrestricted net position, if they have a positive value, could be used at the Commonwealth's discretion. However, the unrestricted balance is $(26.8) billion; therefore, funds are not available for discretionary purposes. A contributing factor to the negative balance is that liabilities are recognized on the government-wide statement of net position when the obligation is incurred. Accordingly, the Commonwealth recognizes long-term liabilities (such as general bonded debt, compensated absences, unfunded employer pension cost, and contingent liabilities-shown in Note 16 to the financial statements) on the statement of net position.

The Commonwealth received program revenues of $23.2 billion and general revenues (including transfers) of $17.9 billion for total revenues of $41.1 billion during fiscal year 2022. Expenses for the Commonwealth during fiscal year 2022 were $32.9 billion, the total net position of the Commonwealth increased in the amount of $8.2 billion, net of contributions, transfers, and special items.

The governmental activities resulted in an increase in the Commonwealth's net position by $7.3 billion. Approximately 42.7% of the governmental activities' total revenue came from taxes, while 49.7% resulted from grants and contributions (including federal aid). Overall, program revenues were not sufficient to cover program expenses for governmental activities. Therefore, the net program expenses of these governmental activities were supported by general revenues, mainly taxes. At June 30, 2022, the Commonwealth's governmental funds reported combined ending fund balances of $8.1 billion, a net increase of $2.7 billion in comparison with the prior year. $70.8 million is non-spendable and is comprised of inventories, notes receivables, cash with fiscal agents, and restricted cash that must remain intact. $3.5 billion is restricted for certain purposes and is not available to fund current operations. $4.5 billion is considered unrestricted (committed, assigned, or unassigned). When the unrestricted balance is positive it is available for spending either at the government's discretion or upon legislative approval.

The General Fund is the primary operating fund of the Commonwealth. The fund balance at June 30, 2022, was $4.4 billion. The balance reported reflects an increase of $1.9 billion from the previously reported amount. The major factor for the increase in fund balance was increased tax revenue and the reduction of TRS Pension and Other Post Employment Liabilities. On August 17, 2022, the State Budget Director reported a General Fund surplus deposit of $1.01 billion to the Budget Reserve Trust Fund. The deposit brought the total balance to a record $2.7 billion, or 19.5% of fiscal year 2022 General Fund appropriations.

The major special revenue funds experienced normal cyclical changes in revenues and expenditures. The revenues increased by $4.4 billion from the previous year, a change of 26.7%. Expenditures increased by $4.0 billion from the previous year, a change of 25.1%. The Transportation Fund experienced a slight increase in revenues and an increase in expenditures, resulting in an increase in fund balance of $37.9 million.

During fiscal year 2022, the Commonwealth's bonded debt decreased by $489.9 million to $5.2 billion, a 8.6% decrease. The major factor in this decrease was the result of the refunding of old issues by the FY22 new issues. The remaining liability on the retired bonds, plus the FY22 principal payments on the remaining bonds outstanding, were greater than the FY22 issues for new projects. No general obligation bonds were authorized or outstanding as of June 30, 2022.

Fiscal Year 2023

The Commonwealth's combined net position (governmental and business-type activities) totaled $6.3 billion at the end of fiscal year 2023, as compared to $2.4 billion at the end of the previous year.

The largest portion of the Commonwealth's net position, $24.7 billion, is net investment in capital assets (e.g. land, infrastructure, buildings and improvements, and machinery and equipment), minus any related debt, which is still outstanding and used to acquire those assets. The Commonwealth uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. The second largest portion of the Commonwealth's net position, totaling $3.8 billion, is restricted and represents resources that are subject to either external restrictions or legislative restrictions on how they may be used. The remaining balance is unrestricted net position. The unrestricted net position, if they have a positive value, could be used at the Commonwealth's discretion. However, the unrestricted balance is $(22.3) billion; therefore, funds are not available for discretionary purposes. A contributing factor to the negative balance is that liabilities are recognized on the government-wide statement of net position when the obligation is incurred. Accordingly, the Commonwealth recognizes long-term liabilities (such as general bonded debt, compensated absences, unfunded employer pension cost, and contingent liabilities) on the statement of net position.

The Commonwealth received program revenues of $24.3 billion and general revenues (including transfers) of $18.3 billion for total revenues of $42.6 billion during fiscal year 2023. Expenses for the Commonwealth during fiscal year 2023 were $38.7 billion, the total net position of the Commonwealth increased in the amount of $3.8 billion, net of contributions, transfers, and special items.

The governmental activities resulted in an increase in the Commonwealth's net position by $3.6 billion. Approximately 42.6% of the governmental activities' total revenue came from taxes, while 49.4% resulted from grants and contributions (including federal aid). Overall, program revenues were not sufficient to cover program expenses for governmental activities. Therefore, the net program expenses of these governmental activities were supported by general revenues, mainly taxes. As of June 30, 2023, the Commonwealth's governmental funds reported combined ending fund balances of $9.7 billion, a net increase of $1.6 billion in comparison with the prior year. $82.7 million is non-spendable and is comprised of inventories, notes receivables, cash with fiscal agents, and restricted cash that must remain intact. $4.0 billion is restricted for certain purposes and is not available to fund current operations. $5.6 billion is considered unrestricted (committed, assigned, or unassigned). When the unrestricted balance is positive it is available for spending either at the government's discretion or upon legislative approval.

The General Fund is the primary operating fund of the Commonwealth. The fund balance at June 30, 2023, was $5.4 billion. The balance reported reflects an increase of $1.0 billion from the previously reported amount. The major factor for the increase in fund balance was increased tax revenue and the reduction of TRS Pension and Other Post Employment Liabilities.

On August 2, 2023, the State Budget Director reported a General Fund surplus deposit of $1.45 billion into the Budget Reserve Trust Fund. The deposit brought the total balance up to $3.7 billion, which equates to 24.6% of the fiscal year 2023-24 official revenue estimate. Also reported was a Road Fund surplus of $55.5 million, all of which was deposited to the Highways-State Construction Account.

The major special revenue funds experienced normal cyclical changes in revenues and expenditures. The revenues increased by $0.5 billion from the previous year, a change of 2.3%. Expenditures increased by $1.9 billion from the previous year, a change of 8.7%. The Transportation Fund experienced a slight increase in revenues and an increase in expenditures, resulting in an increase in fund balance of $149.4 million.

During fiscal year 2023, the Commonwealth's bonded debt decreased by $256.6 million to $5.0 billion, a 4.9% decrease. The major factor in this decrease was the result of the refunding of old issues by the FY23 new issues. The remaining liability on the retired bonds, plus the FY23 principal payments on the remaining bonds outstanding, were greater than the FY23 issues for new projects. No general obligation bonds were authorized or outstanding as of June 30, 2023.

Fiscal Year 2024 (Unaudited)

As reported by the Office of the State Budget Director on July 11, 2024, General Fund receipts for FY24 totaled $15,571.3 million, exceeding FY23 revenue by $423.6 million, or 2.8%. The sales and use tax, major business tax, and property tax revenues all grew throughout FY24, while individual income tax declined due to the tax rate reduction. FY24 marks the Commonwealth's fourth consecutive year with a surplus of over $1 billion.

Road Fund revenues for FY24 totaled $1,874.6 million, an increase of 6.9% from FY23. Total Road Fund receipts for FY24 were $121.2 million more than FY23 levels, as all but two of the major accounts saw increases in FY24. Road Fund collections in FY24 narrowly differed from the revised, official FY24 Road Fund estimate, coming in at $7.1 million less.

On August 21, 2024 the State Budget Director reported a previously budgeted General Fund surplus deposit of $2.02 billion into the Budget Reserve Trust Fund, which brought the total balance of the Budget Reserve Trust Fund up to $5.2 billion. H.B. 1 of the 2024 Regular Session of the Kentucky General Assembly appropriated General Fund moneys from the Budget Reserve Trust Fund to support one-time appropriations in FY25 and FY26. The FY26 ending balance of the Budget Reserve Trust Fund is estimated to be $3.5 billion, or 21.9% of FY26 General Fund Revenues. In accordance with KRS 48.705, the balance of the Budget Reserve Trust Fund at the end of each fiscal year must be no less than 5% of the actual General Fund receipts collected during such fiscal year. However, the Executive Branch has adopted a policy initiative setting a target for the minimum balance of the Budget Reserve Trust Fund at the end of each fiscal year to be no less than 10% of the actual General Fund receipts collected during such fiscal year.

Fiscal Year 2025 (Unaudited)

As reported by the Office of the State Budget Director on September 10, 2024, the August 2024 General Fund receipts declined by 4.5%, as compared to August 2023. The declines were highly affected by tax rate reductions. Total revenues for the month were $1,028.2 million, as compared to $1,076.3 million received in August 2023, a decrease of $48.1 million. Through the first 2 months of FY25, General Fund receipts have increased 4.2%. The official revenue estimate for FY25 calls for General Fund revenues to increase 0.1% compared to FY24 actual receipts. Based on Augusts' results, General Fund receipts can decline 0.7% for the remainder of the fiscal year and still meet the official estimate.

Road Fund revenues for August totaled $164.4 million, a decline of 2.1% from August 2023 levels. Through the first 2 months of FY25, Road Fund receipts have increased 5.6%. The official Road Fund revenue estimate for FY25 calls for Road Fund revenues to decline 2.6% compared to FY24 actual receipts. Based on year-to-date collections, Road Fund revenues can decline 4.3% for the remainder of the fiscal year and still meet the official estimate.

Consensus Forecasting Group; Official Revenue Forecasts

The Consensus Forecasting Group ("CFG"), in conjunction with the Office of the State Budget Director ("OSBD"), is statutorily charged with the responsibility of developing budget planning reports, preliminary revenue estimates, and official revenue estimates for each branch of government and the General and Road funds, pursuant to KRS 48.120 and KRS 48.115. The CFG is staffed by the Legislative Research Commission ("LRC") but receives econometric and modeling support from the Governor's Office for Economic Analysis, an organizational unit of the OSBD. Members of the CFG are jointly selected by the State Budget Director and the LRC.

Subject to modification by the Kentucky General Assembly, appropriations made in the branch budget bills enacted for each branch of government shall be based upon the official revenue estimates presented to the Kentucky General Assembly by the OSBD in conjunction with the CFG. The enacted estimates shall become the official revenue estimates of the Commonwealth upon the branch budget bills becoming law, and shall remain the official revenue estimates of the Commonwealth until revised by the CFG, as provided in KRS 48.115(2).

OSBD makes available on its website the CFG official, enacted, and revised revenue estimates for the General and Road Funds. When published, the updates can be found at www.osbd.ky.gov.

The CFG met on December 8, 2023 to revise the enacted General Fund revenue estimate for FY24 and the preliminary estimates adopted for FY25 and FY26. Three scenarios from IHS Markit (Control, Optimistic, and Pessimistic) were used as inputs in the OSBD's MAK model, an analytical model that takes United States trends in employment and income as predetermined variables in order to estimate Kentucky-specific forecasts for employment and personal income. The CFG adjusted the FY24, FY25, and FY26 General Fund forecasts to $15,554.5 million, $15,549.5 million, and $16,002.6 million, respectively, and adjusted the FY24, FY25, and FY26 Road Fund forecasts to $1,881.7 million, $1,825.0 million, and $1,894.3 million, respectively.

The official revenue estimates, as adopted by the CFG, legislatively enacted by the Kentucky General Assembly, revised by the CFG, and compared to actual General Fund and Road Fund totals for fiscal years 2020 through 2026 are represented below:

General Fund

Fiscal Year	Adopted	Enacted	Revised	Actual
2020*	$11,290,000,000	$11,487,500,000	$10,991,500,000	$11,566,600,000
2021**	11,722,200,000	11,704,000,000	11,729,000,000	12,827,432,329
2022	11,996,300,000	11,834,800,000	13,791,900,000	14,702,460,457
2023***	14,085,800,000	13,758,988,400	15,201,900,000	15,147,662,170
2024***	14,684,000,000	14,154,398,600	15,554,500,000	15,571,258,639
2025	15,549,500,000	15,549,500,000		
2026	16,002,600,000	16,002,600,000		

* General Fund enacted revenues for fiscal year 2020 include modifications resulting from tax reform legislation enacted during the 2018 Regular Session of the Kentucky General Assembly, specifically House Bills 75, 366, and 487. These changes include (1) moving to a flat 5% income tax for individuals and corporations; (2) broadening the sales tax base to include sales tax on certain services; and (3) increasing the cigarette tax by $0.50 per pack to a total of $1.10.

** General Fund enacted revenue during the 2020 Regular Session of the Kentucky General Assembly for fiscal year 2021 was $11,592,051,800 and subsequently amended by the Kentucky General Assembly in the 2021 Regular Session to $11,704,000,000.

*** General Fund enacted revenues for fiscal years 2023 and 2024 include tax policy changes enacted during the 2022 Regular Session of the Kentucky General Assembly, specifically House Bill 8. Changes include (1) reducing the individual income tax rate to 4.5% on January 1, 2023; and (2) broadening the sales tax base to include sales tax on certain services. Additionally, the individual income tax rate changed from 4.5% to 4.0% on January 1, 2024. On August 21, 2024, in accordance with KRS 141.020, the State Budget Director reported that the individual income tax reductions conditions have been met for fiscal year 2023-2024. In order for the Kentucky individual income tax rate to be decreased from 4.0% to 3.5% on January 1, 2026, legislation must be enacted by the Kentucky General Assembly.

Road Fund

Fiscal Year	Adopted	Enacted	Revised	Actual
2020	$1,508,500,000	$1,508,500,000	$1,390,000,000	$1,491,500,000
2021	1,573,400,000	1,543,400,000	1,577,700,000	1,642,340,305
2022	1,609,200,000	1,609,200,000	1,680,100,000	1,675,354,852
2023	1,719,900,000	1,721,000,000	N/A	1,753,323,281
2024	1,676,700,000	1,679,150,500	1,881,700,000	1,874,570,513
2025	1,825,000,000	1,825,000,000		
2026	1,894,300,000	1,894,300,000		

The CFG preliminary revenue estimates for the MSA payments are $102.6 million, $97.3 million, and $92.5 million, as adopted and revised for fiscal year 2024, fiscal year 2025, and fiscal year 2026, respectively.

The Office of the State Budget Director makes available on its website monthly updates to the General Fund receipts and the Road Fund receipts.

Investment Policy

The Commonwealth's investments are governed by the provisions of KRS Sections 42.500 et seq. and Title 200, Chapter 14 of the Kentucky Administrative Regulations. The State Investment Commission ("SIC"), comprised of the State Treasurer, State Controller, the Secretary of the Finance and Administration Cabinet, and 2 gubernatorial appointees from the Kentucky Banker's Association and the Bluegrass Community Bankers Association, is charged with oversight of the Commonwealth's investment activities. The SIC is required to meet at least quarterly, and day-to-day investment management is the responsibility of the Office of Financial Management.

Title 200, Chapter 14 of the Kentucky Administrative Regulations provides, among other things, that corporate securities, inclusive of commercial paper, banker's acceptances, and certificates of deposit, are limited to $25 million per issuer and a stated final maturity of 5 years or less. Money market securities rated A1, P1, or higher are limited to 20% of the investment pools. Asset-Backed Securities ("ABS") are limited to 20% of the investment pools. Mortgage-Backed Securities ("MBS") and Collateralized Mortgage Obligations ("CMO") are both limited to a maximum of 25% of the investment pools. In addition, ABS, MBS, and CMO must have a weighted average life of 4 years or less at the time of purchase.

On August 31, 2024, the Commonwealth's operating portfolio was approximately $14.253 billion in cash and securities. The composition of the investments was as follows: (i) United States Treasury securities, 40.8%; (ii) securities issued by any agencies or instrumentalities of the United States Government, 29.2%; (iii) Mortgage-Backed Securities and Collateralized Mortgage Obligations, 0.3%; (iv) Repurchase Agreements collateralized by the aforementioned, 5.6%;

(v) corporate and asset-backed securities, 2.7%; and (vi) Money Market Securities, 21.4%. The portfolio had a current yield of 4.89% and an effective duration of 0.35 years.

The Commonwealth's investments are currently categorized into 3 investment pools: the Short Term Pool, the Limited Term Pool, and the Intermediate Term Pool. The purpose of these pools is to provide economies of scale that preserve principal, provide liquidity, enhance yield, ease administrative burden, and increase accountability and control. The Short Term Pool consists primarily of the General Fund and related accounts. The Limited Term Pool is a money market-like pool that focuses on principal protection for certain agency funds. The Intermediate Term Pool represents a combination of Agency Fund investments, state held component unit funds, fiduciary funds held for the benefit of others, and most bond proceeds for capital construction projects.

State Retirement Systems

Following is information about the Commonwealth's retirement system(s), including pension plans and other post-employment benefits. Capitalized terms used under this heading and not otherwise defined shall have the respective meanings given by the ACFRs.

Retirement Plans. Eligible state and local government employees may participate in one of the Commonwealth's multi-employer benefit plans administered by: (i) the Kentucky Public Pensions Authority ("KPPA"), or (ii) the Teachers' Retirement System of the State of Kentucky ("TRS").

The KPPA is an administrative entity that performs daily system activities, which include administrative support, investment management, benefits counseling, accounting and payroll functions, and legal services for 5 plans. The Kentucky Retirement Systems, through its board, oversees 3 of the 5 plans supported by the KPPA: (i) Kentucky Employees Retirement System ("KERS") Non-Hazardous, (ii) KERS Hazardous, and (iii) the State Police Retirement System ("SPRS"). The County Employees Retirement System has its own governance board, separate from the Kentucky Retirement Systems, and oversees the County Employees Retirement System ("CERS") Non-Hazardous, and CERS Hazardous, which are the 4th and 5th of 5 systems that the KPPA administers. The KPPA is governed by a third board, which is composed of members of the boards of each of the Kentucky Retirement Systems and CERS. Each retirement plan is state supported, except for the CERS plans, which have been excluded from the Kentucky Retirement Systems information provided herein.

TRS is administered by an 11-member Board of Trustees, each of whom serves on behalf of public educators and administrators, excluding post-secondary employees, across the Commonwealth.

The Kentucky Retirement Systems and TRS (collectively, the "Retirement Plans") provide both retirement and Other Post-Employment Benefits ("OPEB") to state employees and teachers based upon their age, hire date, years of service, and retirement date. Most retirement benefits are subject to a statutory inviolable contract under which the benefits shall not, with limited exceptions, be reduced or impaired by alteration, amendment, or repeal. KERS Non-Hazardous, KERS Hazardous, and SPRS eligible employees hired January 1, 2014 and thereafter are no longer party to the inviolable contract, and the Kentucky General Assembly can amend, suspend, or reduce benefits with future legislation.

For a brief description of the Retirement Plans and the Retirement Plans' assets and liabilities, see Note 8 to The Kentucky ACFR for the Fiscal Year ended June 30, 2023, beginning on page 98. Additional information regarding the Kentucky Retirement Systems and TRS can be found on their respective websites at https://kyret.ky.gov and https://trs.ky.gov, including their respective ACFRs and the accompanying actuarial studies, described under Other Post-Employment Benefits. Only information contained on the web page identified above is incorporated herein and no additional information that may be reached from such page by linking to any other page should be considered to be incorporated herein.

The Kentucky Public Employees' Deferred Compensation Authority ("KDC") additionally provides for the administration of tax-deferred supplemental retirement plans for all state, public school, and university employees, and employees of local political subdivisions that have elected to participate. The available deferred compensation plans include a 457(b) Plan and a 401(k) Plan. The Retirement Plans and KDC are component units of the Commonwealth for financial reporting purposes and are included in The Kentucky ACFR.

(Continued on the following page)

The following schedules are descriptions of plan benefits by hire date for employees who participate in the KERS Non-Hazardous and TRS benefit tiers.

Kentucky Employees' Retirement System
Governance KRS 61.510 through KRS 61.705
Cost Sharing Multiple Employer Defined Benefit Non-Hazardous

	Tier 1 Participation before 9/1/2008	Tier 2 Participation 9/1/2008 through 12/31/2013	Tier 3 Participation on or after 1/1/2014
Covered Employees:	Substantially all regular full-time members employed in non-hazardous and hazardous duty positions of any state department, board, or any agency directed by Executive Order to participate in the system.		
Benefit Formula:	Final Compensation x Benefit Factor x Years of Service.		Cash Balance Plan
Final Compensation:	Average of the highest 5 fiscal years (must contain at least 48 months). Includes lump-sum compensation payments (before and at retirement).	Average of the 5 complete fiscal years immediately preceding retirement; each year must contain 12 months. Lump-sum compensation payments (before and at retirement) are not to be included in member's creditable compensation.	No Final Compensation
Benefit Factor:	1.97%, or 2.0% for those retiring with service for all months between 1/1998 and 1/1999.	10 years or less = 1.10%. Greater than 10 years, but no more than 20 years = 1.30%. Greater than 20 years, but no more than 26 years = 1.50%. Greater than 26 years, but no more than 30 years = 1.75%. Additional years above 30 = 2.00% (2.00% benefit factor only applies to service earned in excess of 30 years).	No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's accumulated account balance.
Cost of Living Adjustment (COLA):	No COLA unless authorized by the Kentucky General Assembly with specific criteria. This impacts all retirees, regardless of Tier.		
Unreduced Retirement Benefit:	Any age with 27 years of service. Age 65 with 48 months of service. Money Purchase for age 65 with less than 48 months based on contributions and interest.	Rule of 87: Member must be at least age 57 and age plus earned service must equal 87 years at retirement to retire under this provision. Age 65 with 5 years of service. No Money Purchase calculations.	
Reduced Retirement Benefit:	Any age with 25 years of service. Age 55 with 5 years of service.	Age 60 with 10 years of service. Excludes any purchased service (exception: refunds, omitted, free military).	No reduced retirement benefit.

(Continued on the following page)

Kentucky Teachers' Retirement System
Governance KRS 161.220 through KRS 161.716
Cost Sharing Multiple Employer Defined Benefit with Special Funding

	Tier 1 Entry before 7/1/2002	Tier 2 Entry on or between 7/1/2002 and 6/30/2008	Tier 3 Entry on or between 7/1/2008 and 12/31/2021	Tier 4 Entry on or after 1/1/2022
Covered Employees:	Provides pension plan coverage for local school districts and other educational agencies in the state.			
Benefit Formula:	Final Average Salary x Benefit Factor x Years of Service = Annuity			Service Credit x Multiplier x Final Average Salary = Annuity
Final Average Salary:	Average of the 5 highest annual salaries, except members at least age 55 with 27 or more years of service may use their 3 highest annual salaries. The minimum annual service allowance for all members is $440 multiplied by the member's years of credited service. When calculating the final average salary, increases in compensation in last 3 years before retirement are limited to the highest percentage increase on any one rank and step of the district salary schedule or to what is generally available to other TRS-covered employees.	Average of the 5 highest annual salaries, except members at least age 55 with 27 or more years of service may use their 3 highest annual salaries. The minimum annual service allowance for all members is $440 multiplied by the member's years of credited service. When calculating the final average salary, increases in compensation in last 3 years before retirement are limited to the highest percentage increase on any one rank and step of the district salary schedule or to what is generally available to other TRS-covered employees.	The final average salary is the average of the 5 highest annual salaries, except members at least age 55 with 27 or more years of service may use their 3 highest annual salaries. For all members, the annual allowance is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 27 years of service. When calculating the final average salary, increases in compensation in last 3 years before retirement are limited to the highest percentage increase on any one rank and step of the district salary schedule or to what is generally available to other TRS-covered employees.	The final average salary is the average of the highest 5 salaries. When calculating the final average salary, increases in compensation in last 5 years before retirement are limited to the highest percentage increase on any one rank and step of the district salary schedule or to what is generally available to other TRS-covered employees.
Benefit Factor:	Non-University members: 2.0% for service before 7/1/1983; 2.5% for service after 7/1/1983; and 3.0% if retiring after 7/1/2004 for each year in excess of 30 years. University members: 2.0% for each year of service.	Non-University members: 2.0% if retiring with less than 10 years; 2.5% if retiring with 10 or more years; and 3.0% if retiring after 7/1/2004 for each year in excess of 30 years. University members: 2.0% for each year of service.	Non-University members is equal to: (a) 1.70% of final average salary for each year that is 10 years or less; (b) 2% of final average salary for each year that is greater than 10 years but less than 20 years; (c) 2.3% of final average salary for each year that is greater than 20 years but less than 26 years; (d) 2.5% of final average salary for each year that is greater than 26 years but less than 30 years; (e) 3% of final average salary for each year that is greater than 30 years. University members is equal to: (a) 1.5% of final average salary for each year that is 10 years or less; (b) 1.7% of final average salary for each year that is greater than 10 years but less than 20 years; (c) 1.85% of final average salary for each year that is greater than 20 years but less than 27 years; (d) 2% of final average salary for each year that is greater than or equal to 27 years.	For all members, the career factor is 0.25% from 20 to 29.99 years of service or 0.5% at 30 or more years of service. For Non-University members, the age factor is 1.70% from age 57 to 60, and increases monthly to 1.9% at age 65. The maximum non-university multiplier is 2.4%. For University members, the age factor is 0.7% from age 57 to 60, and increases monthly to 0.9% at age 65. The maximum university multiplier is 1.4%.
Cost of Living Adjustment (COLA):	1.5% annually additional ad hoc increases must be authorized by the Kentucky General Assembly.			A standard, statutory COLA of 1.5% is provided annually on each July 1, subject to risk controls outlined separately, on a retired foundational benefit for retirees who have been retired for at least 1 year.
Unreduced Retirement Benefit:	Any age with 27 years of Kentucky service, or age 60 with 5 years of Kentucky service.	Any age with 27 years of Kentucky service, or age 60 with 5 years of Kentucky service.	Any age with 27 years, or age 60 with 5 years.	No penalty if age 57 with 30 years of Kentucky service, age 60 with 10 years of Kentucky service, or age 65 with 5 years of Kentucky service.

Kentucky Teachers' Retirement System
Governance KRS 161.220 through KRS 161.716
Cost Sharing Multiple Employer Defined Benefit with Special Funding

	Tier 1 Entry before 7/1/2002	**Tier 2** Entry on or between 7/1/2002 and 6/30/2008	**Tier 3** Entry on or between 7/1/2008 and 12/31/2021	**Tier 4** Entry on or after 1/1/2022
Reduced Retirement Benefit Calculation:	Reduced by 5% per year from the earlier of age 60 or the date the member would have completed 27 years of service. Penalty (up to 25%). Age 55 with 5 years.	Reduced by 5% per year from the earlier of age 60 or the date the member would have completed 27 years of service. Penalty (up to 25%). Age 55 with 5 years.	Reduced by 6% per year from the earlier of age 60 or the date the member would have completed 27 years of service. Penalty (up to 30%). Age 55 with 10 years.	The standard penalty is a reduction of 6% for the lesser of each year that the member's age is below 60 or that the service is less than 30 years with a maximum penalty of 18%. Early retirement penalty (up to 18%).

Pension Funding. The Commonwealth's enacted budget for fiscal years 2017 through 2024 included the full Actuarially Determined Employer Contribution ("ADEC") for the assumed rates of return on the following pages for the Kentucky Retirement Systems executive branch participants and TRS. Certain "Quasi" government agencies which participate in the KERS Non-Hazardous system were permitted to retain the FY18 contribution rate of 49.47% for fiscal years 2019 through 2021. Based upon the assumptions employed in the Retirement Plans' June 30, 2022 actuarial valuation reports used in preparing the associated Retirement Plans' 2023 ACFRs, the Kentucky Retirement Systems had a state supported pension Unfunded Actuarial Accrued Liability ("UAAL") of $13,725 million. TRS had a pension UAAL of $17,455 million calculated with the assumptions adopted in September 2021. Unlike fiscal year 2017, TRS was not required to report the pension liability in accordance with the Governmental Accounting Standards Board's ("GASB") Statement 67. The state supported portion of the Retirement Plans for the fiscal year ended June 30, 2023 had aggregate funding percentages of 26.83% for the Kentucky Retirement Systems and 58.62% for TRS. These funding percentages compare to 23.51% and 58.80%, respectively, for the fiscal year ended June 30, 2022. In fiscal year 2000, funding ratios for the Kentucky Retirement Systems were greater than 100% and decreased over a number of years due to a variety of factors, including changes to the discount rate, lower than projected investment returns, and other variances from actuarial assumptions. The Kentucky Retirement Systems' state supported ADEC for pension benefits for the fiscal year ended June 30, 2023 was $1,166 million; $1,406 million was contributed. The TRS state supported pension ADEC for the fiscal year ended June 30, 2023 was $1,144 million; $1,144 million was contributed.

(Continued on the following page)

SCHEDULE OF FUNDING – KENTUCKY RETIREMENT SYSTEMS RETIREMENT FUNDS+

Actuarial Valuation Date	Actuarial Value of Assets ($)	Actuarial Accrued Liability ($)	Unfunded Actuarial Accrued Liability ($)	Funded Ratio	Covered Payroll ($)
Kentucky Employees Retirement System (KERS)					
Non-Hazardous					
6/30/2019	2,206,280,000	16,466,427,000	14,260,147,000	13.4%	1,485,854,000
6/30/2020	2,323,298,166	16,348,961,571	14,025,663,405	14.2%	1,476,156,000
6/30/2021	2,735,875,974	16,321,372,580	13,585,496,606	16.8%	1,441,337,000
6/30/2022	3,065,263,298	16,576,630,410	13,511,367,112	18.5%	1,432,960,000
6/30/2023	3,552,471,492	16,304,277,475	12,751,805,983	21.8%	1,648,318,000
Hazardous					
6/30/2019	671,647,000	1,226,195,000	554,548,000	54.8%	160,600,000
6/30/2020	709,586,801	1,283,769,521	574,182,720	55.3%	171,840,000
6/30/2021	782,496,050	1,295,242,844	512,746,794	60.4%	172,725,000
6/30/2022	823,436,199	1,316,825,246	484,389,047	63.2%	188,648,000
6/30/2023	891,460,165	1,363,036,563	471,576,398	65.4%	223,922,000
State Police Retirement System (SPRS)					
6/30/2019	282,162,000	1,045,318,000	763,156,000	27.0%	49,515,000
6/30/2020	296,126,111	1,053,157,155	757,031,044	28.1%	49,019,000
6/30/2021	323,250,208	1,053,259,535	730,009,327	30.7%	47,873,000
6/30/2022	559,973,178	1,067,447,757	507,474,579	52.5%	48,061,000
6/30/2023	589,848,255	1,091,794,728	501,946,473	54.0%	65,693,000
Kentucky Retirement Systems Summary (Includes KERS Non-Hazardous, KERS Hazardous, and SPRS)					
6/30/2019	3,160,089,000	18,737,940,000	15,577,851,000	16.9%	1,695,969,000
6/30/2020	3,329,011,078	18,685,888,247	15,356,877,169	17.8%	1,697,015,000
6/30/2021	3,841,622,232	18,669,874,959	14,828,252,727	20.6%	1,661,935,000
6/30/2022	4,448,672,675	18,960,903,413	14,503,230,738	23.5%	1,669,669,000
6/30/2023	5,033,779,912	18,759,108,766	13,725,328,854	26.8%	1,937,933,000
Judicial Retirement Plan (JRP) & Legislator's Retirement Plan (LRP)					
6/30/2019	381,002,551	439,619,398	58,616,847	86.7%	27,857,590
6/30/2020	N/A*	N/A*	N/A*	N/A*	N/A*
6/30/2021	438,396,598	452,102,719	13,706,121	97.0%	33,737,970
6/30/2022	N/A*	N/A*	N/A*	N/A*	N/A*
6/30/2023	490,839,176	450,574,070	40,265,106	108.9	32,141,125

+ This schedule does not include data pertaining to the County Employees Retirement System (CERS); the data for 6/30/19 – 6/30/23 in this schedule is as presented in the ACFR of the pension plan for the Fiscal Years Ended June 30, 2019 through June 30, 2023, which may be different than the GASB compliant information reported in the state ACFR.

* JRP and LRP only perform actuarial valuations every 2 years for benefits.

(Continued on the following page)

SCHEDULE OF FUNDING – TEACHERS' RETIREMENT SYSTEM – KENTUCKY+

Actuarial Valuation Date	Actuarial Value of Assets ($)	Actuarial Accrued Liability ($)	Unfunded Actuarial Accrued Liability ($)	Funded Ratio	Covered Payroll ($)
6/30/2019	20,154,161,000	34,676,713,000	14,522,552,000	58.1%	3,648,428,000
6/30/2020	20,796,494,000	35,582,250,000	14,785,756,000	58.5%	3,723,482,000
6/30/2021	22,624,398,000	39,581,704,000	16,957,306,000	57.2%	3,784,400,000
6/30/2022	24,090,355,000	40,970,441,000	16,880,086,000	58.8%	4,033,509,000
6/30/2023	24,725,018,000	42,179,888,000	17,454,870,000	58.6%	4,138,909,000

+The data for 6/30/19 – 6/30/23 in this schedule is as presented in the ACFR of the Teachers' Retirement System for the Fiscal Years Ended June 30, 2019 through June 30, 2023, which may be different than the GASB compliant information reported in the state ACFR.

Experience Studies. Per H.B. 76 of the 2022 Regular Session of the Kentucky General Assembly, an investigation of the economic assumptions of all state retirement systems is required at least once during each 2-year period. An experience study for the Kentucky Retirement Systems as of June 30, 2022 was published in June 2023, and an experience study for the TRS Board as of June 30, 2023 was published on September 1, 2023.

Other Post-Employment Benefits. The Commonwealth's ACFR for the Fiscal Year Ended June 30, 2017 represents GASB Statement 45 ("Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions"). The Commonwealth adopted GASB Statement 75 ("Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions") for ACFR reporting for the fiscal year ending June 30, 2018, and after.

The Commonwealth is obligated to provide healthcare benefits to certain retired state employees and teachers. The Retirement Plans administer 2 multi-employer defined benefit healthcare plans (collectively, the "Health Plans") for which the Commonwealth pays a portion of the cost of the benefits of the retired employees. On January 1, 2006, the Commonwealth commenced self-funding of healthcare benefits for state employees. On January 1, 2006, the Kentucky Retirement Systems also adopted a self-funding healthcare plan for its Medicare Eligible Retirees; and beginning in 2013, the Kentucky Retirement Systems offered its Medicare Eligible Retirees an insured Medicare Advantage Plan. TRS became self-insured for post-retirement healthcare costs for Medicare Eligible Retirees on July 1, 1991. Beginning January 1, 1997, TRS offered non-Medicare Eligible Retirees insurance through the state health insurance program, which has since become self-insured. Beginning January 1, 2007, TRS offered its Medicare Eligible Retirees an insured Medicare Advantage Plan and, beginning July 1, 2010, offered this group an insured Medicare Part D Employer Group Waiver Drug Plan, which has now been self-funded since 2015. The TRS Board requires retirees not eligible for Medicare to pay the equivalent for the Medicare Part B program towards their cost of health coverage.

The Retirement Plans commission actuarial studies, which provide results for consideration, under certain actuarial funding methods and sets of assumptions. Annual actuarial reports are performed on both of the Retirement Plans. Pursuant to their respective actuarial studies, the OPEB UAAL as of June 30, 2023 was estimated at $87.1 million for the Kentucky Retirement Systems and $1,144.2 million for TRS. These estimates represent the present value of the amount of healthcare benefits under the respective Health Plans, payable over future periods and allocated by the actuarial cost method, as of June 30, 2023. The actuarial estimates for the Kentucky Retirement Systems' OPEB UAAL decreased from the $121.0 million reported in the Kentucky Retirement Systems' ACFR for FY22. The actuarial estimates for TRS UAAL decreased from the $1,389.8 million reported in the TRS ACFR for FY 22.

The Kentucky Retirement Systems' state supported OPEB ADEC for the fiscal year ended June 30, 2023 was $133.2 million; $139.9 million was contributed. The TRS ACFR for FY21 changed from reporting ADEC to Statutorily Required Employer Contributions for the Health Insurance Trust. The TRS state supported OPEB Employer Contribution for the fiscal year ended June 30, 2023 was $212.1 million; $212.4 million was contributed. The state supported portion of the OPEB for the fiscal year ended June 30, 2023 had a contribution of 96.50% of the Commonwealth's obligation for the Kentucky Retirement Systems and 99.98% of the Commonwealth's obligation for TRS. For TRS, OPEB amounts for UAAL, employer contributions, and funded status includes the life insurance trust.

(Continued on the following page)

SCHEDULE OF FUNDING – KENTUCKY RETIREMENT SYSTEMS OTHER POST EMPLOYMENT BENEFITS (OPEB)+

Actuarial Valuation Date	Actuarial Value of Assets ($)	Actuarial Accrued Liability ($)	Unfunded Actuarial Accrued Liability ($)	Funded Ratio	Covered Payroll ($)
Kentucky Employees Retirement System (KERS)					
Non-Hazardous					
6/30/2019	991,427,000	2,733,065,000	1,741,638,000	36.3%	1,515,953,000
6/30/2020	1,095,958,769	2,564,787,757	1,468,828,988	42.7%	1,482,431,000
6/30/2021	1,291,472,004	2,574,111,678	1,282,639,674	50.2%	1,452,345,000
6/30/2022	1,409,552,576	1,782,386,300	372,833,724	79.1%	1,437,132,000
6/30/2023	1,532,894,678	1,877,108,617	344,213,939	81.7%	1,653,492,000
Hazardous					
6/30/2019	525,315,000	426,705,000	-98,610,000	123.1%	151,448,000
6/30/2020	539,251,445	427,976,729	-111,274,716	126.0%	182,209,000
6/30/2021	575,024,703	424,455,939	-150,568,764	135.5%	172,725,000
6/30/2022	597,700,735	347,043,977	-250,656,758	172.2%	188,648,000
6/30/2023	619,518,838	363,512,398	-256,006,440	170.4%	223,922,000
State Police Retirement System (SPRS)					
6/30/2019	197,395,000	276,809,000	79,414,000	71.3%	48,780,000
6/30/2020	207,017,723	276,143,386	69,125,663	75.0%	48,231,000
6/30/2021	223,251,488	272,405,954	49,154,466	82.0%	47,155,000
6/30/2022	234,238,705	232,798,506	-1,440,199	100.6%	48,600,000
6/30/2023	245,171,996	244,058,286	-1,113,710	100.5%	65,830,000
Kentucky Retirement Systems Summary (Includes KERS Non-Hazardous, KERS Hazardous, and SPRS)					
6/30/2019	1,714,137,000	3,436,579,000	1,722,442,000	49.9%	1,716,181,000
6/30/2020	1,842,227,937	3,268,907,872	1,426,679,935	56.4%	1,712,871,000
6/30/2021	2,089,748,195	3,270,973,571	1,181,225,376	63.9%	1,672,225,000
6/30/2022	2,241,492,016	2,362,228,783	120,736,767	94.9%	1,674,380,000
6/30/2023	2,397,585,512	2,484,679,301	87,093,789	96.5%	1,943,244,000
Judicial Retirement Plan (JRP) & Legislators' Retirement Plan (LRP)					
6/30/2019	134,603,984	66,740,213	(67,863,771)	201.7%	27,857,590
6/30/2020	N/A*	N/A*	N/A*	N/A*	N/A*
6/30/2021	164,125,204	55,057,895	(109,067,309)	298.1%	33,737,970
6/30/2022	N/A*	N/A*	N/A*	N/A*	N/A*
6/30/2023	195,665,171	67,381,744	-128,283,427	290.4%	32,141,125

+ This schedule does not include data pertaining to the County Employees Retirement System (CERS); the data for 6/30/19 – 6/30/23 in this schedule is as presented in the ACFR of the pension plan for the Fiscal Years Ended June 30, 2019 through June 30, 2023, which may be different than the GASB compliant information reported in the state ACFR.

* JRP and LRP only perform actuarial valuations every 2 years for benefits.

(Continued on the following page)

SCHEDULE OF FUNDING – TEACHERS' RETIREMENT SYSTEM – KENTUCKY+(OPEB)

Actuarial Valuation Date	Actuarial Value of Assets ($)	Actuarial Accrued Liability ($)	Unfunded Actuarial Accrued Liability ($)	Funded Ratio	Covered Payroll ($)
Other Post-Employment Benefits (OPEB)					
6/30/2019	1,535,028,000	3,250,687,000	1,715,659,000	47.2%	3,648,428,000
6/30/2020	1,793,197,000	2,879,847,000	1,086,650,000	62.3%	3,723,482,000
6/30/2021	2,168,131,000	3,573,333,000	1,405,202,000	60.7%	3,784,400,000
6/30/2022	2,498,073,000	3,887,910,000	1,389,837,000	64.3%	4,033,509,000
6/30/2023	2,887,997,000	4,032,223,000	1,144,226,000	71.6%	4,138,909,000

+ The data for 6/30/19 – 6/30/23 in this schedule is as presented in the Teachers' Retirement System ACFR for the Fiscal Years Ended June 30, 2019 through June 30, 2023, which may be different than the GASB compliant information reported in the state ACFR.

Recent Changes to the State Retirement Systems. The following link to the Kentucky Legislative Research Commission Legislative Record provides bill language, fiscal impact, and actuarial analysis related to the bills in this section: https://legislature.ky.gov/Legislation/Pages/default.aspx.

House Bill 1 of the 2024 Regular Session of the Kentucky General Assembly allocated $230 million in General Fund moneys to the Retirement Plans from the Budget Reserve Trust Fund. In each of FY25 and FY26, $25 million is to be applied to the unfunded liability of the SPRS pension funds, $50 million is to be applied to the unfunded liability of the KERS Non-Hazardous pension fund, and $40 million is to be applied to the unfunded liability of the TRS pension fund.

House Bill 6 of the 2024 Regular Session of the Kentucky General Assembly allocated an additional $500 million to be applied to the unfunded liability of the KERS Non-Hazardous pension fund, with $250 million to be applied to such unfunded liability in each of FY25 and FY26.

House Bill 236 of the 2023 Regular Session of the Kentucky General Assembly provided that fiduciaries use only pecuniary factors when considering the sole interest of the members and beneficiaries of the retirement systems; and requires the boards of the state-administered retirement systems to adopt their own proxy guidelines.

Following the experience study for the Kentucky Retirement Systems as of June 30, 2022, the KRS Board voted to modify the following assumptions, which were used for the Fiscal Year 2023 Actuarial Report and forward:

		Assumed Rate of Return		Inflation		Payroll Growth	
		To	From	To	From	To	From
KERS-N(1)	Pension	NC	5.25%	2.50%	2.30%	NC	0.00%
KERS-N(1)	OPEB	6.50%	6.25%	2.50%	2.30%	NC	0.00%
KERS-H(2)	Pension	NC	6.25%	2.50%	2.30%	NC	0.00%
KERS-H(2)	OPEB	6.50%	6.25%	2.50%	2.30%	NC	0.00%
SPRS	Pension	NC	5.25%	2.50%	2.30%	NC	0.00%
SPRS	OPEB	6.50%	6.25%	2.50%	2.30%	NC	0.00%

(1) Non-Hazardous
(2) Hazardous
(NC) No Change

House Bill 551 of the 2023 Regular Session of the Kentucky General Assembly created an additional income stream for the Retirement Plans by designating proceeds above administrative costs from sports wagering be allocated to the Kentucky Permanent Pension Fund (the "Permanent Pension Fund"). Funding to the Retirement Plans is subject to appropriation from the Permanent Pension Fund.

House Bill 1 of the 2022 Regular Session of the Kentucky General Assembly allocated $485 million in General Fund dollars to the Retirement Plans. The amount included $215 million for the SPRS pension fund in FY22 to be applied to the unfunded liability. In each of FY23 and FY24, $135 million is provided to be applied to the unfunded liability of the KERS Non-Hazardous pension fund. House Bill 1 set the employer contribution rates for FY23 and FY24 at the Actuarially Determined Rates approved by the KRS Board of Trustees. The contribution rate for KERS Hazardous was set to 31.82%, and the rate for SPRS was set to 99.43%. House Bill 1 included $89 million in FY23 and $84.6 million in FY24 to assist with the anticipated increased retirement costs over each quasi-state agency employer's baseline contribution. House Bill 1 allocated $200 million to the Kentucky Permanent Pension Fund in FY24 and also allocated an additional

$479 million to TRS to pay off, in lump sum, liabilities for retired teachers' sick leave applied as salary retirement credit and ad hoc cost of living adjustments provided in prior years.

House Bill 604 of the 2022 Regular Session of the Kentucky General Assembly allocated an additional $105 million in each of FY23 and FY24 to be applied to the unfunded liability of the KERS Non-Hazardous pension fund.

Senate Bill 205 of the 2022 Regular Session of the Kentucky General Assembly required state governmental entities, including the retirement systems operated by KPPA, to divest from financial companies that engage in boycotts of fossil fuel based energies companies. The bill also prohibits state agencies from entering into contracts for goods and services with companies that engage in boycotts of fossil fuel based energy companies. These provisions would not apply if the state governmental agency determines that the requirements would be inconsistent with its fiduciary responsibility.

House Bill 8 of the 2021 Regular Session of the Kentucky General Assembly amended KRS 61.565 to change the KERS nonhazardous actuarially accrued liability contribution (unfunded liability payment) that is payable by employers on or after July 1, 2021, from a value that is paid as a percent of pay on each employee to a fixed allocation funding method; and provide that the employers shall pay the normal cost for all employees plus their actuarially-calculated portion of the organization specific unfunded liability.

House Bill 258 of the 2021 Regular Session of the Kentucky General Assembly provided a new tier of benefits for teachers hired on or after January 1, 2022. The new plan includes a defined benefit foundational component and a defined contribution supplemental component. It does not change any benefits for existing TRS members active or retired.

Senate Bill 249 of the 2020 Regular Session of the Kentucky General Assembly had several provisions that affected KERS, SPRS, and CERS. The amortization of the UAAL was again reset for this system to a closed 30-year amortization beginning with the June 30, 2019 valuation, and using a level percent of payroll instead of the current level dollar amortization. Additionally, any future increases or decreases in the UAAL will be amortized over a 20-year closed period utilizing a layered amortization method. Among other administrative changes, the bill also extended to June 30, 2021 the voluntary cessation of participation date for the 118 quasi-governmental agencies identified in House Bill 1 of the 2019 Regular Session. The University determination of voluntary cessation of participation date was previously set to January 1, 2021. Finally, the bill delayed an increase of the phase-in of higher contribution rates for CERS employers.

House Bill 352 of the 2020 Regular Session set the KERS employer contribution rate at 84.43% for FY21 and set the 118 quasi-governmental employer contribution rate below the current ADEC rate at 49.47%.

House Bill 484 of the 2020 Regular Session separated the CERS and the Kentucky Retirement Systems into 2 governing boards. Oversight of CERS was transferred from the Kentucky Retirement Systems Board of Trustees to the County Employees Retirement System Board of Trustees.

House Bill 1 of the 2019 Special Session of the Kentucky General Assembly addressed pension related changes for 118 quasi-governmental agencies including regional mental health programs, local and district health departments, domestic violence shelters, rape crisis centers, child advocacy centers, state-supported universities and community colleges. The bill froze the employer contribution rate at 49.47% for fiscal year 2020 and provided 4 avenues for voluntary cessation of participation in the Kentucky Retirement System or the option to remain in the system for those agencies. An actuarial analysis by GRS Retirement Consulting, dated July 18, 2019, projected an actuarial cost relief to those agencies of $827 million. The FY20 employer contribution rate freeze at 49.47% instead of the actuarial determined rate of 83.43%, was projected to have an actuarial cost of $121 million for FY20 to the Retirement System.

In May and July of 2017, the Kentucky Retirement Systems Board of Trustees voted to make the following assumption changes, which were used for the Fiscal Year 2017 Actuarial Report and in determining the FY19 and FY20 employer contributions:

		Assumed Rate of Return		Inflation		Payroll Growth	
		To	From	To	From	To	From
KERS-N[1]	Pension	5.25%	6.75%	2.30%	3.25%	0.00%	4.00%
KERS-N[1]	OPEB	6.25%	7.50%	2.30%	3.25%	0.00%	4.00%
KERS-H[2]	Pension	6.25%	7.50%	2.30%	3.25%	0.00%	4.00%
KERS-H[2]	OPEB	6.25%	7.50%	2.30%	3.25%	0.00%	4.00%
SPRS	Pension	5.25%	6.75%	2.30%	3.25%	0.00%	4.00%
SPRS	OPEB	6.25%	7.50%	2.30%	3.25%	0.00%	4.00%

(1) Non-Hazardous
(2) Hazardous

In September of 2021, the TRS Board ratified the following assumptions established by the actuary, which were used for the Fiscal Year 2021 Actuarial Report and forward:

		Assumed Rate of Return		Inflation		Payroll Growth	
		To	From	To	From	To	From
TRS	Pension	7.10%	7.50%	2.50%	3.50%	2.75%	3.50%
TRS	OPEB	7.10%	8.00%	2.50%	3.50%	2.75%	3.50%

Senate Bill 2 from the 2013 Regular Session of the Kentucky General Assembly created a new section in KRS Chapter 7A establishing a 13-member Public Pension Oversight Board to oversee the Kentucky Retirement Systems and report to the Kentucky General Assembly on benefits, administration, investments, funding, laws, administration regulations, and legislation pertaining to Kentucky Retirement Systems. The bill also stated that new employees hired after January 1, 2014 will be placed in a Hybrid Cash Balance Plan. This plan has a guaranteed rate of return of 4.0% for both hazardous and non-hazardous employees, plus 75% of the investment return in the plan in excess of 4.0% to the employee. Hazardous employees' employer pay credit is set at 7.5% of salary and non-hazardous employees have an employer pay credit of 4.0%. The bill further provides for a 1.5% COLA only if it is prefunded and appropriated by the Kentucky General Assembly or if the pension plan is 100% funded. New employees as of January 1, 2014 are no longer party to the inviolable contract, and the Kentucky General Assembly has the right to amend, suspend, or reduce benefits with future legislation. The bill additionally made provisions for a Health Savings Account as an insurance option for retirees, required the Kentucky General Assembly to start fully funding the ADEC beginning in fiscal year 2015, and reset the amortization to 30 years beginning in 2015.

Litigation Potentially Impacting Kentucky Retirement Systems.

1. In April 2013, Seven Counties Services, Inc. ("Seven Counties"), filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the Western District of Kentucky (the "Bankruptcy Court"). Seven Counties identified KERS as a creditor with a primary objective of discharging its continuing obligation to remit retirement contributions for approximately 1,300 employees and terminate its membership in KERS.

KERS opposed Seven Counties' attempt to discharge its obligations and terminate its membership. KERS asserted that Seven Counties is a Governmental Unit properly participating in KERS by Executive Order issued in 1978 and thus ineligible for Chapter 11 relief. Consequently, Seven Counties would remain statutorily obligated to continue participation and remit contributions.

On May 30, 2014, the Bankruptcy Court held that Seven Counties was not a Governmental Unit and could move forward with its Chapter 11 bankruptcy case. Moreover, the Court held that Seven Counties' statutory obligation to continue to participate and remit contributions to KERS was a "contract" eligible for rejection. Seven Counties rejected its participation in KERS.

In June 2014, KERS appealed the Bankruptcy Court's ruling. On October 6, 2014, Seven Counties filed a formal reorganization plan with the Bankruptcy Court. On January 6, 2015, the Bankruptcy Court confirmed Seven Counties' plan of reorganization (the "Confirmation Order"). On January 19, 2015, KERS appealed the Confirmation Order. On March 31, 2016, the United States District Court issued a Memorandum of Opinion and Order that (i) denied KERS' motion to certify a question of law to the Kentucky Supreme Court, (ii) reversed the Bankruptcy Court's determination regarding classifying KERS as a multi-employer plan and determined KERS was a multiple employer plan, (iii) affirmed the Bankruptcy Court's decision in all other aspects; and (iv) denied Seven Counties' cross-appeal.

On April 21, 2016, the Kentucky Retirement Systems' Board of Trustees voted to appeal the decision to the United States Court of Appeals for the Sixth Circuit ("Sixth Circuit"). On August 24, 2018, the Sixth Circuit issued an Opinion ruling that Seven Counties was not a state instrumentality within the meaning of the Bankruptcy Code and was therefore eligible to file under Chapter 11. However, the Sixth Circuit also certified a question of law to the Kentucky Supreme Court regarding whether the relationship between Seven Counties and Kentucky Retirement Systems was contractual or statutory. Oral arguments were held at the Kentucky Supreme Court on March 6, 2019, and on August 29, 2019 the Kentucky Supreme Court ruled that Seven Counties participation in and its contributions to the KERS are based on a statutory obligation. The Opinion of the Kentucky Supreme Court was forwarded to the Sixth Circuit for further action resolving the outstanding issues.

On July 20, 2020, the Sixth Circuit issued an Opinion stating that they affirmed their previous determination that Seven Counties was eligible to file a Chapter 11 bankruptcy case. The Sixth Circuit also reversed the conclusion that Seven Counties can reject its obligation to participate as an executory contract and that Seven Counties need not maintain its statutory contribution obligation during the pendency of the bankruptcy. The case was remanded back to the Bankruptcy Court.

The parties were able to stipulate to the principal amount of Seven Counties unpaid employer contributions for the post-petition time-frame of April 6, 2014 through February 5, 2015. A limited hearing occurred in February 2022 regarding whether interest is applicable to the stipulated amount. The Bankruptcy Court entered an order that set the amount of the contributions, but did not order Seven Counties to pay that amount. The order was silent regarding the application of interest. Both Seven Counties and KERS appealed the Bankruptcy Court's order to the United States District Court where it was be joined with the then-pending appeal of the confirmation of Seven Counties' reorganization plan.

The United States District Court refused to hear the appeals stating that the Bankruptcy Court's order was not final and appealable. That left KERS in a position where no relief was possible; the Bankruptcy Court would not enter an order requiring payment, and the District Court would not hear an appeal. This forced KERS to once again bring the appeals to the Sixth Circuit. In January 2024, the Sixth Circuit Court of Appeals dismissed KERS' appeal with direction to the Bankruptcy Court to expeditiously resolve the remaining issues of (1) ordering Seven Counties to pay the stipulated principal amount of unpaid employer contributions, and (2) the amount of interest Seven Counties owes.

Other entities within the Commonwealth, including some entities with pending litigation, are attempting to terminate their participation in KERS. For example, Kentucky Retirement Systems filed an action against Kentucky River Community Care ("KRCC") to compel it to comply with its statutory duties and require retirement plan participation. Similarly, Bluegrass Oakwood, Inc., a subsidiary of Bluegrass MHMR, attempted to terminate its participation in KERS through an action before the Kentucky Court of Appeals that was dismissed on February 24, 2015, resulting in Bluegrass Oakwood remaining as a participant in KERS. No assurance can be provided with respect to the impact of such actions, if any, on the future contribution rates. The litigation against KRCC is ongoing.

2. In January and February 2022, 2 complaints were filed on behalf of specific named plaintiffs and others similarly situated based on the same facts that gave rise to the former River City FOP complaint regarding the Medicare Secondary Payer Act. KPPA was aware that the River City FOP case impacted more individuals than the originally named plaintiffs and worked on legislative and regulatory solutions. Legislation passed by the 2022 Kentucky General Assembly allows individuals negatively impacted by the Medicare Secondary Payer Act to receive their health insurance through the Kentucky Employees Health Plan, and KPPA has promulgated a regulation to reimburse those individuals who had to pay for health insurance consistent with the Sixth Circuit Opinion. The 2 lawsuits from January and February are currently in the discovery phase concerning class certification. In addition to the MSPA issue, the 2 new suits allege that requiring Medicare eligible members to pay for Medicare Part B violates their right to "free" health insurance under their inviolable contract.

In the fall of 2023, 3 additional suits were filed on the same grounds as the suits described above. Collectively, the 5 lawsuits seek to certify separate classes of Hazardous Duty retirees in KERS and CERS, Non-Hazardous retirees in KERS and CERS, and retirees in the SPRS. These suits are all at various stages of the class certification process.

3. In December 2017, certain members and beneficiaries of the Kentucky Retirement Systems filed litigation (Mayberry et al. v. KKR et al.) against certain Hedge Fund Sellers, Investment, Actuarial and Fiduciary Advisors, Annual Report Certifiers, and certain (past and present) Kentucky Retirement Systems' Trustees and Officers in Franklin Circuit Court. The litigation alleges (in summary) that actuarial assumptions, fees, statements, and disclosures harmed the financial status of the Retirement Systems. While Kentucky Retirement Systems is designated a "Defendant," that designation is a technical formality in so much as Kentucky Retirement Systems is a "nominal defendant." On April 20, 2018, the Kentucky Retirement Systems and the plaintiffs filed a joint notice with the Court advising that Kentucky Retirement Systems does not intend to challenge its status as a "nominal defendant." Since then, the Franklin Circuit Court ruled on various Defendants' Motions to Dismiss, denying nearly all of them. On January 10, 2019, KKR, Henry Kravis, and George Roberts (collectively, "KKR Parties") amended their Answer to assert cross claims against Kentucky Retirement Systems. Certain Officer and Trustee Defendants appealed the denial of their Motion to Dismiss on immunity grounds to the Court of Appeals, and that appeal was transferred to the Kentucky Supreme Court. The hedge fund defendants filed a Petition for Writ of Prohibition in the Court of Appeals, arguing the Plaintiffs lacked standing to bring the action. That Petition was granted on April 23, 2019. Plaintiffs promptly appealed the Court of Appeals' decision to the Supreme Court of Kentucky. On July 9, 2020, the Supreme Court of Kentucky issued an Opinion stating that the plaintiffs, as beneficiaries of a defined-benefit plan who have received all of their vested benefits so far and are legally entitled to receive their benefits for the rest of their lives, do not have a concrete stake in this case and therefore lack standing to bring this claim. The case was remanded to the circuit court with directions to dismiss the complaint. Thereafter, plaintiffs

filed a motion seeking to amend their complaint to add parties (Tier 3 members of the Retirement Systems) and claims that would purportedly correct the standing defect identified by the Supreme Court of Kentucky. Furthermore, the Attorney General of the Commonwealth sought leave to intervene in this action through a motion filed July 20, 2020, and an Intervening Complaint on July 22, 2020. The Defendants filed motions seeking to have the case dismissed. On December 28, 2020, Franklin Circuit Court issued an Order dismissing the Complaint filed by the Plaintiffs, denied Plaintiffs' Motion to file a Second Amended Complaint, and granted the Office of the Attorney General's Motion to Intervene. A variety of additional motions and pleadings were filed, including an original action by the Tier 3 Group. This original action is still in the initial stages and is pending with Franklin Circuit Court. (Tia Taylor, et al. v KKR & Co. L.P., et al.) On January 12, 2021, Franklin Circuit Court issued a scheduling Order granting the Attorney General until February 1, 2021 to file an Amended Intervening Complaint, granting the Tier 3 Group until February 11, 2021 to file a Motion to Intervene in this action. Additional extension orders were granted for the Attorney General intervention. The Attorney General filed an Amended Complaint on May 24, 2021. On June 14, 2021, the Tier 3 Group's Motion to Intervene in the Attorney General action was denied. In the spring of 2022, Franklin Circuit Judge Phillip Shepherd recused and this matter was assigned to Judge Thomas Wingate.

Following the Attorney General's intervention, the Defendant's challenged the intervention as beyond the scope of the remand from the Supreme Court in July of 2020. Franklin Circuit Court denied that motion and the matter was on appeal when this case was assigned to Judge Thomas Wingate. Judge Wingate placed the matter in abeyance pending a decision on whether the Attorney General's intervention was proper. The Court of Appeals held that the Attorney General should not have been allowed to intervene. Simultaneously with his intervention, the Attorney General filed a separate, stand-alone case with an identical complaint to protect against the possibility that his intervention would be deemed improper.

The Kentucky Supreme Court denied discretionary review of the Court of Appeals' opinion that the Attorney General's intervening complaint in the original action from 2017 was improper, and the action is now over.

A number of related cases have also developed based on issues raised in the above referenced Mayberry action. There has been an action filed by a number of the Trustees and Officers named in Mayberry seeking reimbursement by Kentucky Retirement Systems of legal fees. Kentucky Retirement Systems has also filed an action against Hallmark Specialty Insurance seeking a declaratory judgement that Hallmark has a duty to defend and indemnify Kentucky Retirement Systems in the Mayberry action. Two of the hedge fund Defendants in the Mayberry action have also filed an action in the United States District Court for the Eastern District of Kentucky naming individual members of the former Board of Trustees of the Kentucky Retirement Systems as Defendants. This action is seeking a judgment declaring that the Trustees violated Plaintiffs' right to due process as well as an award of costs and attorneys' fees. Three actions have also been filed in Delaware regarding the Mayberry action. One filed by Prisma Capital Partners and one filed by Blackstone Alternative Asset Management allege breaches of warranties, representations, and more relating to the Subscription Agreements signed by the Kentucky Retirement Systems. The third was filed by Prisma Capital Partners against the Daniel Boone Fund, LLC. Additionally, an action has been filed by PAAMCO against Kentucky Retirement Systems in California also alleging breaches of warranties, representations, and more relating to the Subscription Agreements signed by the Kentucky Retirement Systems. Finally, on August 2, 2021, Blackstone Alternative Asset Management, L.P. (BAAM) filed an action against the Kentucky Public Pensions Authority, the Board of Trustees of the Kentucky Retirement Systems, the Board of Trustees of the County Employees Retirement System, the Kentucky Retirement Systems Insurance Fund, and the Kentucky Retirement Systems Pension Fund (collectively "Defendants") for breach of contract. The Defendants filed a Motion to Dismiss on September 8, 2021. The last of these additional actions, the suit filed by BAAM, was dismissed by Franklin Circuit Court. The Court of Appeals upheld the dismissal, and BAAM is seeking Discretionary Review by the Supreme Court. The rest of these cases remain active in various stages of litigation.

4. Mountain Comprehensive Care Center and Adanta filed separate suits challenging the actuarially accrued liability assigned these 2 entities via the process outlined in KRS 61.565, known as House Bill 8 from the 2021 Regular Session of the Kentucky General Assembly. The suits challenge not only the liability assigned to them, but they challenge the constitutionality of the statutory authority. The parties are currently engaged in discovery.

SUMMARIES OF THE PRINCIPAL DOCUMENTS

The following statements are brief summaries of certain provisions of the Resolution, the Lease, and the Subleases. The statements regarding the Resolution, the Lease, and the Subleases do not purport to be complete and reference is made to the Resolution, the Lease, and the Subleases, copies of which are available for examination at the Office of Financial Management, 200 Mero Street, 5th Floor, Frankfort, Kentucky 40622. Each Resolution and the Lease relating to each Resolution is separate from and will operate independently of the other Resolutions and Leases and the occurrence of an event of default under one Resolution will not, in and of itself, constitute an event of default any the other Resolution.

The Resolution

Funds and Accounts. The following Funds and Accounts have been established under the Resolution. Deposits of the proceeds of the Bonds and Revenues (as defined herein) will be made as described below.

1. Bond Service Fund. The Resolution creates a Bond Service Fund with respect to the Bonds (the "Bond Fund"), to be held and maintained by the Trustee. There will be deposited into the Bond Fund all or such portion of the Revenues as will be sufficient to pay, when due, the principal of, premium, if any, and interest on all Bonds Outstanding under the Resolution at or before their maturity. Accrued interest on the Bonds, if any, will be deposited in the Bond Fund. The Resolution requires the Commission to deposit or cause to be deposited, with respect to the Bonds, on or before any April 1 or October 1 and any date set for the redemption of any Bonds before maturity (each, a "Payment Date"), with the Trustee all amounts required for the payment of the principal of, premium, if any, and interest on the Bonds due on such Payment Date.

No further payments are required to be made to the Bond Fund when, and so long as, the aggregate amount therein is sufficient to retire all of the Bonds that are then Outstanding and payable plus interest due or to become due, together with redemption premium, if any.

Under the Resolution, "Revenues" means, with respect to the Lease, all of the rental payments and other payments to be made by the Cabinet to the Commission pursuant to the Lease, or any other amounts received by the Commission for the use or occupancy of the Project and any other payments or deposits to be made to the Bond Fund, including proceeds from the disposition of any portion of the Project pursuant to the Resolution.

2. Cost of Issuance Fund. The Resolution creates a Cost of Issuance Fund (the "Cost of Issuance Fund") for the Bonds to be held and maintained by the Trustee. From the proceeds of the Bonds and other available moneys, if any, deposited by the Commission at the time of delivery of such Bonds, there will be deposited therein an amount sufficient to pay certain expenses in connection with the issuance of the Bonds. Upon the payment of all duly authorized expenses incident to the issuance of the Bonds, any remaining balance in the Cost of Issuance Fund will be transferred to the Bond Fund.

3. Construction Fund. The Resolution creates a Construction Fund (the "Construction Fund") for the Bonds to be held and maintained to be held by the Treasurer of the Commonwealth. Until disbursed as authorized by the Resolution, the Construction Fund constitutes a trust fund for the benefit of the Holders of the Bonds. The Construction Fund will be used for the purposes of funding the portion of the Project financed with proceeds of the Bonds consisting of the acquisition, construction, or undertaking of new property in connection with any buildings, real estate, economic development projects, or community development projects, including costs of materials, construction work, installation of utilities, services, installation of equipment, facilities and furnishings of a permanent nature for buildings, appurtenances thereto, plans, specifications, blueprints, architectural and engineering fees, and other expenses authorized to be incurred under the terms of KRS Chapters 56 and 58. Any moneys remaining on deposit in the Construction Fund after the Project is completed in full will be transferred to the Trustee to be held, in trust, in the Bond Fund.

Federal Tax Covenants of the Commission. The Commission has covenanted to do and perform all acts and things permitted by law and necessary or desirable in order to assure that the interest paid on the Bonds by the Commission shall be excludable from the gross income of the Holders of such Bonds for the purposes of federal income taxation and not permit the Bonds to be or become "arbitrage bonds," as defined in the Code. The Resolution creates a Rebate Fund (the "Rebate Fund") for the Bonds to be held and maintained by the Trustee, for the deposit of any amounts which are required to be deposited therein pursuant to the Tax Exemption Certificate and Agreement between the Commission and the Trustee.

Investment of Funds. Moneys in any Fund or Account established under the Resolution will be invested in obligations permitted by Kentucky law as specified in the Resolution.

Events of Default. The Resolution defines "Events of Default" as follows:

(a) Default in the due and punctual payment of the interest on any Bond;

(b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond at maturity or upon redemption before maturity; or

(c) Default in the performance or observance of any other covenants, agreements, or conditions on the part of the Commission contained in the Resolution or in the Bonds, and the continuance thereof for a period of 30 days after written notice given by the Trustee to the Commission or by the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding, to the Commission and the Trustee; provided, however, that if such event of default can, in the opinion of the Trustee, be corrected but not within such period, it shall not constitute an event of default under the Resolution if corrective action is instituted by the Commission within such period and diligently pursued until the event of default no longer exists.

Upon the happening and continuance of any event of default described in clause (a) or (b) above, unless the principal of all of the Bonds has already become due and payable, then either the Trustee (by notice in writing to the Commission) or the Holders of not less than 25% of the principal amount of Bonds Outstanding (by notice in writing to the Commission and the Trustee) may declare the principal of all of the Bonds then Outstanding and the interest accrued thereon to be due and payable immediately, and upon any such declaration the same will become and be immediately due and payable, anything in the Resolution or in any of the Bonds contained to the contrary notwithstanding. The right of the Trustee or of the Holders of not less than 25% of the principal amount of Bonds then Outstanding to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, all overdue installments of interest on such Bonds and the principal of all Bonds which will have matured by their terms, together with the reasonable and proper charges, expenses, and liabilities of the Trustee, are either paid by or for the account of the Commission or provision satisfactory to the Trustee is made for such payment, then, and in every such case, any such default and its consequences will ipso facto be deemed to be annulled, but no such annulment will extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

The Resolution provides that upon the happening and continuance of any event of default thereunder, the Trustee may proceed, and upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding must proceed, to protect and enforce its rights and the rights of the Holders under the pertinent sections of the Kentucky Revised Statutes and the Resolution forthwith by such suits, actions, or by special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in the Resolution, or in aid of the execution of any power granted therein or in the Kentucky Revised Statutes, or for the enforcement of any legal or equitable rights or remedies as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights, or to perform any of its duties under the Resolution.

In the enforcement of any right or remedy under the Resolution or under the law, the Trustee is entitled to sue for, enforce payment on, and receive any or all amounts then or during the continuance of any event of default becoming, and at any time remaining, due from the Commission, for principal, premium, if any, interest or otherwise under any of the provisions of the Resolution or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest borne by the Bonds then Outstanding, to the extent permitted by law together with any and all costs and expenses of collection and of all proceedings under the Resolution and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders, and to recover and enforce judgment or decree against the Commission, but solely as provided in the Resolution and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs, and expenses, and to collect (but solely from the moneys in the funds and accounts established by the Resolution) in any manner provided by law, the moneys adjudged or decreed to be payable.

Regardless of the happening of an event of default, the Trustee, if requested in writing to take any action under the Resolution or the Bonds by the Holders of not less than 25% of the principal amount of Bonds Outstanding, has no duty to act until it is furnished with indemnification satisfactory to it. The Trustee may institute and maintain such suits and proceedings as it may be advised are necessary or expedient to prevent any impairment of the security under the Resolution or the Bonds, and such suits and proceedings as the Trustee may be advised are necessary or expedient to preserve or protect its interest and the interest of the Holders, provided that such request will not be otherwise than in accordance with the provisions of law and of the Resolution and will not be unduly prejudicial to the interest of the Holders not making such request.

Individual Holder Action Restricted. No Holder of any Bonds has any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Resolution or for the execution of any trust thereof or for the appointment of a receiver or the enforcement of any other right under the Kentucky Revised Statutes, unless such Holder has given to the Trustee written notice of the event of default or breach of trust or duty on account of which such suit, action, or proceeding is to be taken and unless the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding have made written request accompanied by indemnity and security satisfactory to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit, or proceeding in its own name, and the Trustee thereafter fails or refuses to exercise the powers granted by the Resolution or to institute such action, suit, or proceeding in its, his, or their own name or names. It is understood and intended that no one or more Holders of any Bonds have any right in any manner whatsoever to affect, disturb, or prejudice the security of the Resolution by its, his, or their action or to enforce any right thereunder except in the manner therein provided, and that all proceedings at law or in equity will be instituted and maintained in the manner therein provided and for the equal benefit of the Holders of all of such Bonds then Outstanding. Nothing contained in the Resolution or in the Bonds affects or impairs the right of any Holder of any Bond to payment of the principal of or premium, if any, or interest on such Bond at and after the maturity thereof or the obligation of the Commission to pay the principal of, premium, if any, and interest on the Bonds to the respective Holders thereof at the time and place, from the source, and in the manner therein provided and in the Bonds expressed.

Amendments to the Resolution. If it appears desirable and to the advantage of both the Commission and the Holders of the Bonds, the Commission will adopt resolutions supplemental to the Resolution, altering or amending any of the rights and obligations of the Commission or of the Holders of the Bonds, but each such supplemental resolution will not become effective unless and until it has been approved as provided in the Resolution by the Holders of at least 66 2/3% of the principal amount of Bonds Outstanding and unless and until the opinion of counsel required by the Resolution has been delivered. Notwithstanding the foregoing, no such modifications, alterations, or amendments will be made which permit an extension of the time of payment, at maturity, of the principal of or premium, if any, or interest on any Bond, or a reduction in the amount of the principal or premium, if any, or the rate of interest thereon without the written consent of the Holder thereof, or which would reduce the percentage of Holders of Bonds whose approval is required by the Resolution for adoption of any supplemental resolution as described above.

Additionally, the Commission and the Trustee may, without regard to the provisions set forth above, make any amendment or change to the Resolution (i) to cure any formal defect or ambiguity if, in the opinion of nationally recognized bond counsel, such amendment or change is not adverse to the interest of the Holders of the Bonds; (ii) to grant to or confer on the Trustee for the benefit of the Holders of the Bonds any additional rights, remedies, powers, authority, or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Resolution as theretofore in effect; (iii) to permit the Trustee to comply with any obligations imposed on it by law; (iv) to achieve compliance of the Resolution with any federal tax law; (v) to maintain or improve any rating on the Bonds; or (vi) which, in the opinion of nationally recognized bond counsel, will not materially and adversely affect the rights of Holders of the Bonds, and the Commission may adopt such supplemental resolution to accomplish the foregoing.

Change, Substitution, or Other Modification of the Project. Notwithstanding anything in the Resolution or the Lease, the Cabinet may, in its sole discretion, change, substitute, or otherwise modify components of the Project so long as all Bond proceeds are applied to facilities, payments, or undertakings which are included in and subject to the rental payments under the Lease such that rental payments thereunder will be sufficient to pay the principal of, premium, if any, and interest on the related Bonds; provided that any such change, substitution, or modification shall not cause the Commission to be in violation of certain covenants of the Resolution.

The Trustee. The Resolution sets forth the terms and provisions regarding the responsibilities, compensation, and removal of the Trustee. The Trustee is entitled to reasonable compensation from the Revenues and, to the extent the Commission fails to make such payment, the Trustee may make such payment from funds in its possession and shall be entitled to a preference therefor over any Outstanding Bonds. The Trustee may be removed at any time at the written request of the Commission or of a majority of the Holders of the Bonds under the Resolution.

Discharge of the Resolution. If the Commission pays or causes to be paid, or there is otherwise paid, to the Holders of the Bonds the total principal and interest due or to become due thereon, including premium, if applicable, at the times and in the manner stipulated therein and in the Resolution then the pledge of Revenues under the Resolution, and all covenants, agreements, and other obligations of the Commission to the Holders of the Bonds shall cease, terminate, and become void and shall be discharged and satisfied.

Whenever there shall be held by the Trustee in the Bond Fund or an escrow fund established for such purpose, either (a) moneys in an amount which shall be sufficient, or (b) Defeasance Obligations (as defined below) the principal of, premium, if any, and interest on which, when due (without consideration of reinvestment income), will provide moneys which, together with other moneys, if any, then on deposit in the Bond Fund or in such escrow fund, shall be sufficient, as set forth in a verification report from a firm of independent certified public accountants, to pay, when due, the principal of and interest and redemption premium, if applicable, on the Bonds or any part thereof, to and including the date upon which the Bonds, or any of them, will be redeemed or will mature, as the case may be, then and, in any of such events, all such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the defeasance provisions of the Resolution, and the Trustee will and is irrevocably instructed by the Resolution to give notice thereof to the Holders of the Bonds.

As used herein, "Defeasance Obligations" means:

(a) non-callable direct obligations of the United States of America, non-callable and, non-prepayable direct federal agency obligations the timely payment of principal of and interest on which is fully and unconditionally guaranteed by the United States of America, non-callable direct obligations of the United States of America which have been stripped by the United States Treasury itself or by any Federal Reserve Bank (not including "CATS," "TIGRS," and "TRS," unless the Commission obtains a confirmation that the Bonds defeased thereby shall be assigned a rating equivalent to the rating assigned to obligations pledging the full faith and credit of the United States by S&P Global Ratings, a division of S&P Global, Inc., a New York corporation ("S&P") and Moody's Investors Service, Inc., a New York corporation ("Moody's"), with respect thereto) and the interest components of REFCORP bonds for which the underlying bond is non-callable (or non-callable before the due date of such interest component) for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form, and shall exclude investments in mutual funds and unit investment trusts;

(b) non-callable obligations, timely maturing and bearing interest, to the extent that the full faith and credit of the United States of America are pledged to the timely payment thereof;

(c) certificates assigned a rating equivalent to the rating assigned to obligations pledging the full faith and credit of the United States at the time of purchase by S&P, Moody's, and Fitch Ratings Inc., a New York corporation ("Fitch") (if rated by Fitch), evidencing ownership of the right to the payment of the principal of and interest on obligations described in clause (b), provided that such obligations are held in the custody of a bank or trust company satisfactory to the Trustee in a segregated trust account in the trust department separate from the general assets of such custodian; and

(d) bonds or other obligations of any state of the United States of America or of any agency, instrumentality, or local governmental unit of any such state (i) which are not callable at the option of the obligor or otherwise prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (ii) timely payment of which is fully secured by a fund consisting only of cash or obligations of the character described in clause (a), (b), or (c) which fund may be applied only to the payment when due of such bonds or other obligations and (iii) assigned a rating equivalent to the rating assigned to obligations pledging the full faith and credit of the United States at the time of purchase by S&P, Moody's, and Fitch (if rated by Fitch).

The Lease and the Subleases

The Commission and the Cabinet have entered into the Lease whereby the Cabinet will lease the Project from the Commission and will pay rentals to the Commission during biennial renewal terms which will provide funds, together with amounts required to be paid under the Subleases, sufficient to pay the amounts due on the Bonds. The Lease has a current term ending June 30, 2026 and the Subleases have a current term ending June 30, 2026. The Commission has granted the Cabinet the exclusive option to renew the Lease for successive and ensuing renewal terms of 2 years commencing on July 1 immediately following the end of the current term, and the Subleases have corresponding renewal provisions. The last renewal term for the Lease and the Subleases relating to the Bonds ends June 30, 2046, the final maturity date for the Bonds to be issued by the Commission for the Project being October 1, 2044. Under the provisions of the Constitution of the Commonwealth, the Commission, the Cabinet, and the Sublessees are each prohibited from entering into lease obligations extending beyond their biennial budget period. Notwithstanding the foregoing, the Lease and the Subleases provide that each succeeding renewal term will be deemed to be automatically renewed unless written notice of the election by the Cabinet or the Sublessees, respectively, to not so renew is given to the Commission by the last business day of May (with respect to the Lease) or the last business day of April (with respect to the Subleases) before the beginning of the next succeeding biennial renewal term. Upon the first day of the biennial renewal term, the Cabinet and the Sublessees are bound for the entire amount of the rent becoming due during such term as a general obligation of the Cabinet or the Sublessees, limited to amounts appropriated for such purpose payable from any and all funds of the Cabinet or of the Sublessees, including, but not limited to, appropriations, contributions, gifts, matching funds, devises, and bequests from any source, whether federal or state, and whether public or private, so long as the same are not conditioned upon any use of the Project in a manner inconsistent with law.

The Cabinet and the Sublessees have covenanted and agreed in the Lease and the Subleases, respectively, that in each budgetary biennium of the Commonwealth, and on every occasion when appropriations bills are prepared for introduction in the various successive Sessions of the Kentucky General Assembly, they will cause to be included in the appropriations proposed to be made for the Cabinet and the Sublessees sufficient amounts (over and above all other requirements of the Cabinet and the Sublessees) to enable the Cabinet and the Sublessees to make rental payments under the Lease and Subleases and thereby produce income and revenues to the Commission to permit timely payment of the Bonds as the same become due. The Kentucky General Assembly enacted the 2024 budget bill, in accordance with which the Kentucky General Assembly appropriated to the Cabinet and the Sublessees amounts sufficient to meet the rental payments due under the Lease and the Subleases, respectively, and therefore to permit the Commission to meet the debt service requirements of the Bonds through June 30, 2026.

In the Resolution, the Commission has covenanted that it will receive and apply the lease rental payments from the Cabinet and the Sublessees to pay the principal of, premium, if any, and interest on the Bonds when due, and will carry out each and every duty imposed on it by the Kentucky Revised Statutes in respect thereto.

Events of default under the Lease and the Subleases include a default in the due and punctual payment of any rent or a default in the performance of any covenants therein not remedied within 30 days (or in the process of being remedied).

If an event of default occurs under the Lease, the Commission, in addition to all other remedies given to the Commission at law or in equity, may by written notice to the Cabinet terminate the Lease or, without terminating the Lease, take possession (actually or constructively) of the Project. In such event, the Commission may sublet the Project or any portion thereof to any party it deems appropriate, and in the event of a reletting may apply the rent therefrom first to the payment of the Commission's expenses incurred by reason of the Cabinet's default, and the expense of reletting, including, but not limited to, any repairs, renovation, or alteration of the Project, and then to the payment of rent and all other sums due from the Cabinet under the Lease upon delivery of an opinion of nationally recognized bond counsel that the subletting or reletting will not cause the interest on the Bonds to be includable in gross income for federal income tax purposes. The Cabinet has similar remedies in the event of a default by any Sublessee under its applicable Sublease. The Holders have no security interest in any properties constituting the Project or any amounts derived therefrom.

RISK FACTORS

THE PURCHASE OF THE BONDS IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE BONDS IS ENCOURAGED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY, INCLUDING ALL EXHIBITS HERETO. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW, WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE BONDS AND WHICH COULD ALSO AFFECT THE MARKET PRICE OF THE BONDS TO AN EXTENT THAT CANNOT BE DETERMINED.

The following discussion is not meant to be an exhaustive list of all of the risks and other factors that should be considered in connection with the purchase of the Bonds and does not necessarily reflect the relative importance of the various risks and other factors. The occurrence of any of the following risks could materially and adversely affect the Commission's financial condition and results of operations. In any such event, the Commission may not be able to pay debt service on the Bonds. In any such event, the market price and/or liquidity for the Bonds could decline and investors could lose all or part of their investment. There can be no assurance that other risk factors will not become material in the future.

Bonds are Special and Limited Obligations

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE COMMISSION. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY, OR OBLIGATION OF THE COMMONWEALTH, OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE COMMONWEALTH, BUT ARE PAYABLE SOLELY FROM AMOUNTS DEPOSITED IN CERTAIN FUNDS AND ACCOUNTS CREATED BY THE RESOLUTION AND FROM RENTAL INCOME DERIVED FROM THE BIENNIALLY RENEWABLE LEASE WITH THE CABINET AND THE BIENNIALLY RENEWABLE SUBLEASES BETWEEN THE CABINET AND CERTAIN STATE AGENCIES,

THE RENT FROM WHICH IS SUBJECT TO APPROPRIATION BY THE KENTUCKY GENERAL ASSEMBLY ON A BIENNIAL BASIS. THE BONDHOLDERS HAVE NO SECURITY INTEREST IN ANY OF THE PROPERTIES CONSTITUTING THE PROJECT OR ANY AMOUNTS DERIVED THEREFROM. See "SECURITY FOR THE BONDS" and the cover page of this Official Statement.

Risks Relating to the Commonwealth

Appropriation Risk. See "SECURITY FOR THE BONDS" for information about the security for the Bonds and appropriations for the payment of the principal of and interest on the Bonds.

General Economic Conditions. The Commonwealth relies on tax revenues and fees as the primary source of funds to operate state government and to pay its obligations. Regional and national economic shocks can disrupt the state economy and can have material adverse effects on the Commonwealth's revenues, and its ability to pay its obligations including the Bonds. Such disruptions, including commodity shocks, sudden business cycle changes, weather-related disruptions, abrupt changes in consumer confidence, inflation, and national geo-political crises are outside of the control of the Commission and the Commonwealth. See "THE COMMONWEALTH – Financial Information Regarding the Commonwealth" herein.

Changes in State Government. See "INTRODUCTION" and "SUMMARIES OF THE PRINCIPAL DOCUMENTS – The Lease and the Subleases" herein for information about the required biennial budget requests for the Cabinet.

Forward-Looking Statements. Certain disclosures in this Official Statement are "forward-looking statements." Forward-looking statements include all statements that do not relate solely to historical or current fact, and can be identified by the use of words like "may," "believe," "will," "expect," "project," "estimate," "anticipate," "plan," or "continue." These forward-looking statements are based on the current plans and expectations of the Commonwealth and are subject to a number of known and unknown uncertainties and risks, many of which are beyond its control, that could significantly affect current plans and expectations and the Commonwealth's future financial position, including, but not limited to, changes in general economic conditions, demographic trends, and federal programs which may affect the transfer of funds from the federal government to the Commonwealth. As a consequence, current plans, anticipated actions, and future financial positions may differ from those expressed in any forward-looking statements made by the Commonwealth herein. Investors are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this Official Statement.

State Retirement Systems. The Commonwealth has funding responsibility for a number of multi-employer benefit plans. See "THE COMMONWEALTH—State Retirement Systems" herein for more information about the Commonwealth's retirement system, including pension plans and other post-employment benefits. No warranty or representation is made regarding the future investment return or performance of any such benefit plan or plans from the inclusion of such information in this Official Statement.

Cybersecurity. The COT reports to the Kentucky General Assembly annually on cybersecurity breaches. The Commonwealth has not suffered a material loss related to a security breach in the past 5 years.

The Commonwealth has in place a security program that leverages the National Institute of Standards and Technology ("NIST") risk management framework. As a state entity, the Commonwealth is subject to multiple regulatory standards including the IRS, SSA, HIPAA, HITECH, and MARS-E. In 2013, the Commonwealth elected to align to the NIST 800-53 risk management framework as this framework is the foundation of all applicable compliance standards. NIST Special Publication 800-53 is a set of recommended security and privacy controls for federal information systems and organizations to help meet the Federal Information Security Management Act requirements. To ensure ongoing compliance with the NIST framework, and subsequently all regulatory standards, the Commonwealth leverages independent third-party assessments to measure the effectiveness of the established policies, processes, and technical controls.

The Commonwealth ensures compliance with regulatory requirements and prevents future cybersecurity incidents through the implementation and maintenance of a cybersecurity program, including, but not limited to, the following:

Managerial and Operational Controls. The Commonwealth has in place a comprehensive policy structure that addresses all NIST 800-53 moderate controls. These policies are reviewed annually and measured for effectiveness through independent third-party assessment.

Enterprise Risk Management. The Commonwealth has in place a risk management strategy where risks are measured and tracked. Risks are gathered through agency level reports, internal and external audits, active vulnerability scanning, penetration testing, and various external data feeds regarding current and emerging threats. Mitigation activities are tracked through an established plan of action and milestones. Additionally, since 2017, the Commonwealth has had a cyber-liability insurance policy in place, which has not had a submitted claim.

Defense in Depth Security Architecture. The Commonwealth has in place a layered security architecture that employs state of the art next generation firewalls, intrusion prevention and detection systems, endpoint detection and response capabilities, and malicious code prevention. All security architecture, endpoint, directory, remote access, and critical infrastructure logs are stored in a comprehensive Security Incident and Event Management ("SIEM") system for analysis. These defensive technologies and the SIEM system are monitored by Commonwealth security staff, and partnerships with the Multistate Information and Sharing Analysis Center and the Center for Internet Security Agency. The Commonwealth entered into an agreement for third party monitoring and threat hunting services which became effective in the third quarter of 2023. Fully vetted and tested incident response plans are in place to address any anomalies detected. Incident response plans are exercised annually at a minimum. Multifactor authentication is used where possible to protect external access. Privileged account management practices protect elevated access. Business continuity and recovery technologies and processes are in place to recover business operation and are tested annually. Backups are maintained in multiple locations and isolated from threats.

Risks Relating to the Bonds

Ratings of Bonds. See "RATINGS" herein for information about the ratings assigned by rating agencies. There is no assurance that such ratings will be maintained for any given period of time or that any rating will not be lowered or withdrawn entirely. Any revision, modification, or withdrawal of any such ratings could have a material adverse effect on the availability of a market for the Bonds or the prices at which the Bonds may be resold.

Market Liquidity. The Bonds constitute a new issue without an established trading market. Although the Underwriters have informed the Commission that the Underwriters currently intend to make a market for the Bonds, the Underwriters are not obligated to do so, and they may discontinue any such market-making at any time without prior notice. No assurance can be given as to the development or liquidity of any market for the Bonds. If an active public market is not maintained, the market price and liquidity of the Bonds may be adversely affected.

Enforcement of Remedies. The enforcement of the remedies under the Bond Resolution may be limited or restricted by federal or state laws or by the application of judicial discretion, and may be delayed in the event of litigation to enforce the remedies. State laws concerning the use of funds of governmental entities and federal and state laws relating to bankruptcy, fraudulent conveyances, and rights of creditors may affect the enforcement of remedies. Similarly, the application of general principles of equity and the exercise of judicial discretion may preclude or delay the enforcement of certain remedies. The legal opinion to be delivered with the issuance of the Bonds will be qualified as they relate to the enforceability of the various legal instruments by reference to the limitations on enforceability of those instruments under applicable bankruptcy, insolvency, reorganization, moratorium, or any similar laws affecting the enforcement of creditors' rights, and under general principles of equity.

Risks Relating to Tax Matters

See "TAX TREATMENT" for information about the exclusion of interest on obligations such as the Bonds from gross income for federal income tax purposes and related matters.

IRS Bond Examinations. The tax-exempt bond office of the Internal Revenue Service (the "Service") is conducting audits of tax-exempt bonds, including both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit of the Commission. If an audit is commenced, under current procedures, the Service may treat the Commission as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the Commission could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings ("Fitch") have assigned the ratings of "Aa3" and "AA-" to the Bonds, respectively.

The rating of each respective rating agency only reflects the view of such rating agency. An explanation of the significance of the ratings given by Moody's may be obtained from Moody's Investors Service, Inc. at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, (212) 553-0300; and an explanation of the rating given by Fitch may be obtained from Fitch Ratings at One State Street Plaza, New York, New York 10004, (212) 908-0500. A rating is not a recommendation to buy, sell, or hold the Bonds, and there is no assurance that ratings will continue for any given period of time or that ratings will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving legal opinion of Kutak Rock LLP, Omaha, Nebraska, Bond Counsel, who has been retained by, and acts as Bond Counsel to, the Commission. The form of the approving legal opinion of Bond Counsel is attached hereto as EXHIBIT E. Certain legal matters will be passed upon for the Commission by its counsel. Certain legal matters will be passed upon for the Underwriters by Dinsmore & Shohl LLP, Louisville, Kentucky.

LITIGATION

There is no controversy or litigation of any nature now pending, or threatened, (i) restraining or enjoining the issuance, sale, execution, or delivery of the Bonds, or (ii) in any way contesting or affecting (a) the validity of the Bonds, (b) any proceedings of the Commission taken with respect to the issuance or sale of the Bonds, (c) the pledge or application of any monies or security provided for the payment of the Bonds, or (d) the due existence or powers of the Commission.

TAX TREATMENT

General

In the opinion of Bond Counsel for the Bonds, based upon an analysis of existing laws, regulations, rulings, and court decisions, interest on the Bonds (including any original issue discount properly allocable to the owner of any Bond) is excludable from gross income for federal income tax purposes and interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel for the Bonds is also of the opinion that interest on the Bonds is exempt from income taxation by the Commonwealth and the Bonds are exempt from ad valorem taxation by the Commonwealth and any of its political subdivisions.

A copy of the form of opinion of Bond Counsel for the Bonds is attached hereto as EXHIBIT E.

Tax Treatment of the Bonds

The Internal Revenue Code of 1986 (the "Code") imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Commission has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be or become includable in gross income for federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in gross income for federal income tax purposes and such inclusion could be retroactive to the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the federal tax status of the interest on the Bonds.

Certain requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Kutak Rock LLP.

Although Bond Counsel has rendered its opinion that interest on the Bonds is excludable from gross income for federal income tax purposes and that interest on the Bonds is excludable from gross income for Kentucky income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's federal, state, or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. For example, such effects may include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain corporations subject to the alternative minimum tax imposed on corporations, increasing the federal tax liability of certain insurance companies, under Section 832 of the Code, increasing the federal tax liability and affecting the status of certain S Corporations subject to Sections 1362 and 1375 of the Code, increasing the federal tax liability of certain individual recipients of Social Security or the Railroad Retirement benefits under Section 86 of the Code and limiting the amount of the Earned Income Credit under Section 32 of the Code that might otherwise be available. Ownership of any Bonds may also result in the limitation of interest and certain other deductions for financial institutions and certain other taxpayers, pursuant to Section 265 of the Code. Finally, residence of the holder of the Bonds in a state other than Kentucky or being subject to tax in a state other than Kentucky may result in income or other tax liabilities being imposed by such states or their political subdivisions based on the interest or other income from the Bonds. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion and each Bondholder or potential Bondholder is urged to consult with tax counsel with respect to the effects of purchasing, holding, or disposing the Bonds on the tax liabilities of the individual or entity.

The Commission has not designated the Bonds as "qualified tax-exempt obligations" under Section 265 of the Code.

Tax Treatment of Original Issue Discount

The Bonds that have an interest rate that is lower than the yield, as shown on the inside cover page hereto (the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

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

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period), and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period. Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Tax Treatment of Original Issue Premium

The Bonds that have an original yield below their respective interest rates, as shown on the inside cover page hereto (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable before their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond before its maturity. Even though such purchaser's basis in such Premium Bond may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

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

Changes in Federal and State Tax Law

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

UNDERWRITING

BofA Securities, Inc. ("BofA"), as representative of the Underwriters, has agreed to purchase the Bonds for an aggregate purchase price of $[____] (which is equal to the principal amount of the Bonds, plus a net premium on the Bonds of $[____] and less an underwriting discount of $[____]).

The Underwriters intend to make an initial public offering of all of the Bonds at not in excess of the public offering price or prices set forth on the inside cover page hereof. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering price or prices stated on the inside cover page hereof.

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

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

The Underwriters and their affiliates may also communicate independent investment recommendations, market color, or trading ideas and/or publish or express independent research views in respect of such assets, securities, or instruments and may, at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities, and instruments.

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

Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Huntington Capital Markets is a trade name under which securities and investment banking products and services of Huntington Bancshares Incorporated and its subsidiaries, including Huntington Securities, Inc. ("HSI"), are marketed. Municipal sales, trading, and underwriting services are provided through HSI, which is a broker-dealer registered with the Securities and Exchange Commission.

PNC Capital Markets LLC ("PNCCM"), an underwriter for the Bonds, may offer to sell to its affiliate, PNC Investments LLC ("PNCI"), securities in PNCCM's inventory for resale to PNCI's customers, including securities such as those to be offered by the Commission. PNCCM may share with PNCI a portion of the fee or commission paid to PNCCM if any of the Bonds are sold to customers of PNCI.

CONTINUING DISCLOSURE

The Commission will comply with the requirements of the Securities and Exchange Commission regarding secondary market disclosure as set forth in Rule 15c2-12 (the "Rule"), as amended, under the Securities Exchange Act of 1934. Specifically, the Commission entered into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), a form of which is attached hereto as EXHIBIT F, in which it covenanted to provide notice in a timely manner, not later than 10 business days after the event, to the Municipal Securities Rulemaking Board (the "MSRB"), and the appropriate state information depository, if any, of any of the types of events with respect to the Bonds set forth in the form attached hereto. Effective on July 1, 2009, the MSRB became the sole nationally recognized municipal securities information repository and the Commission's filings with the MSRB will be in accordance with the MSRB's Electronic Municipal Market Access (EMMA) system, as applicable to the Continuing Disclosure Agreement. In addition, ongoing financial disclosure regarding the Commonwealth has been and will be available through the filing, within 9 months of the end of the fiscal year, commencing with the fiscal year ending June 30, 2024, by the Commonwealth of 2 documents entitled The Kentucky Annual Comprehensive Financial Report and Supplementary Information to the Kentucky Annual Comprehensive Financial Report (or successor reports) with EMMA as required under the Rule and in accordance with the Continuing Disclosure Agreement.

The Commonwealth is providing, and for the 5 years preceding the date of issuance of the Bonds has provided, ongoing market disclosure as required by the Rule pursuant to agreements entered into in connection with other outstanding securities, including timely notices of changes in the Commission's underlying ratings affecting its outstanding securities with the exceptions noted below (which information below is presented irrespective of materiality).

The Commonwealth and the Commission learned that in some instances prior rating changes on certain securities issued by the Commonwealth and certain of its agencies, including the Commission, resulting from rating downgrades, rating upgrades, and a rating withdraw on certain bond insurers, were not the subject of material event notices, due, in part, to the lack of any direct notification to the Commonwealth of the specific rating impact on such particular securities of the Commonwealth and certain of its agencies. On April 3, 2019, the Commission posted on EMMA Notices of Material Events, Notice of Rating Downgrade, Notice of Rating Withdraw, Notice of Rating Upgrade and Late Filings regarding the matters described above and listing the affected securities.

The Commonwealth and the Commission learned that in some instances prior Notices of Material Events posted to EMMA failed to include all affected CUSIPs regarding rating changes on certain securities issued by the Commonwealth and certain of its agencies, including the Commission. On April 3, 2019 and April 21, 2020, the Commission filed a Notice of Material Event: Notice of Late Filing and a Notice of Material Event: Notice of Rating Downgrade and Late Filing on EMMA regarding the matter described in the previous sentence and listing the affected securities.

The Commonwealth and the Commission learned that its ACFR posted to EMMA for the fiscal year ended June 30, 2019 failed to include all affected CUSIPs on certain securities issued by the Commission. On April 21, 2020, the Commission filed a Notice of Late Filing on EMMA regarding the matter described in the previous sentence and listing the affected securities.

The Commonwealth and the Commission learned that in one instance, a Redemption Notice related to the refunding of Commission bonds was posted to EMMA 91 days after its effective date.

The Commonwealth and the Commission have taken actions to assure compliance with the Rule with respect to such events. Additionally, the Commonwealth and the Commission have modified their respective procedures to assure that future material event notices would be timely filed with respect to such events.

OTHER MATTERS

This Official Statement has been prepared under the direction of the Executive Director of the Office of Financial Management.

The information set forth herein has been obtained from sources which are considered reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents, and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and resolutions. The summaries of the documents contained herein do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to official documents in all respects.

This Official Statement has been approved, and its execution and delivery have been authorized, by the Commission.

COMMONWEALTH OF KENTUCKY STATE
PROPERTY AND BUILDINGS COMMISSION

By: ____

Chelsey Couch,
Executive Director Office of Financial
Management (Secretary to the Commission)

EXHIBIT A

DEBT INFORMATION PERTAINING TO THE COMMONWEALTH OF KENTUCKY

COMMONWEALTH DEBT MANAGEMENT

Management

The Office of Financial Management ("OFM"), Finance and Administration Cabinet, has central responsibility for the issuance, management, review, and approval of all debt issued by the Commonwealth and its agencies. Table I lists active issuing entities. OFM is also responsible for the coordination and monitoring of cash needs relative to debt activity, debt service payments, and the development of a comprehensive long-term debt plan. OFM serves as primary staff to the Commission, the Kentucky Asset/Liability Commission, the Turnpike Authority of Kentucky, the Kentucky Local Correctional Facilities Construction Authority, the State Investment Commission, and the Kentucky Private Activity Bond Allocation Committee.

Structure

The Commonwealth's indebtedness is classified as either appropriation supported debt or non-appropriation supported debt.

Appropriation supported debt carries the name of the Commonwealth and is either (i) a general obligation of the Commonwealth, or (ii) a lease revenue obligation of one of its debt issuing agencies created by the Kentucky General Assembly to finance various projects which is subject to state appropriation for all or a portion of the debt service on the bonds.

General obligation bonds pledge the full faith, credit, and taxing power of the Commonwealth for the repayment of the debt. The Kentucky Constitution requires voter approval by general referendum prior to the issuance of general obligation bonds in amounts exceeding $500,000. Kentucky has not issued general obligation bonds since 1966. The Commonwealth has no general obligation bonds outstanding.

Project revenue notes and bonds are issued by various debt issuing authorities of the Commonwealth. The revenues produced by the projects funded by the debt are pledged as security for repayment of the debt. Project revenue debt is not a direct obligation of the Commonwealth. Project revenues are, in some cases, derived partially or solely from appropriations of the Kentucky General Assembly. In other cases, the direct revenues generated from the project funded constitute the entire source of payment.

Non-appropriation debt carries the name of the Commonwealth for the benefit and convenience of other entities within the state. This type of indebtedness is a special obligation of the issuer, secured and payable solely from the sources pledged for the payment thereof and does not constitute a debt, liability, obligation, or a pledge of the faith and credit of the Commonwealth. The Kentucky General Assembly does not intend to appropriate any funds to fulfill the financial obligations represented by these types of indebtedness. Some issuers covenant that in the event of a shortfall the issuer will request from the Governor and the Kentucky General Assembly sufficient amounts to pay debt service.

Default Record

The Commonwealth has never defaulted in the payment of principal or interest on its general obligation indebtedness or its project revenue obligations.

TABLE I

ACTIVE DEBT ISSUING ENTITIES

ENTITY	STATUTORY AUTHORITY/PURPOSE	DEBT LIMITATIONS	RATINGS[†]
State Property and Buildings Commission ("SPBC")	KRS 56.450 Provide financing for capital construction projects and financing programs approved by the Kentucky General Assembly.	Cannot incur debt without prior approval of projects and appropriation of debt service by the Kentucky General Assembly.	Aa3/A/AA-/A+
Kentucky Asset/Liability Commission ("ALCo")	KRS 56.860 Provide financing of capital projects and cash flow borrowings to meet working capital needs of the Commonwealth.	Cannot incur debt without prior approval of projects and appropriation of debt service by Kentucky General Assembly, exclusive of cash flow borrowings within a fiscal year.	Varies
Turnpike Authority of Kentucky ("TAK")	KRS 175.410-175.990 Construct, maintain, repair, and operate Turnpike projects, resource recovery roads and economic development roads.	Cannot incur debt without prior approval of projects and appropriation of debt service by the Kentucky General Assembly.	Aa2/A/AA-/AA-
The State Universities (consisting of 9)	KRS 56.495 Construct educational buildings and housing and dining facilities.	Cannot incur debt without prior approval of projects and appropriation of debt service by the Kentucky General Assembly.	Varies
Kentucky Housing Corporation ("KHC")	KRS 198A Make low interest mortgage loans and construction loans to increase the supply of housing for low to moderate income residents of the Commonwealth.	Limited to $5.0 billion of debt outstanding.	Aaa/AAA/NR/NR
Kentucky Infrastructure Authority ("KIA")	KRS 224A Provide financial assistance to local governments for the construction or refinancing of infrastructure facilities and to provide loans to industries for construction of pollution control facilities.	Revolving Fund programs cannot incur debt without appropriation of debt service by the Kentucky General Assembly. Without legislative approval, other programs are limited to debt outstanding of $500 million.	Aaa/AAA/AAA/NR
Kentucky Higher Education Student Loan Corporation ("KHESLC")	KRS 164A Finances, makes and administers loans to fund and refinance costs to attend education institutions as permitted by the Commonwealth.	Limited to $5.0 billion of debt outstanding.	Varies
School Facilities Construction Commission ("SFCC")	KRS 157.611-157.665 Assist local school districts with the financing and construction of school buildings. Finance the construction of vocational education facilities.	Cannot incur debt without appropriation of debt service by the Kentucky General Assembly.	Aa3/NR/NR/NR
Kentucky Economic Development Finance Authority ("KEDFA")	KRS 154 Issue industrial revenue bonds on behalf of industries, hospitals, and commercial enterprises in the state. Provide low interest loans to developing businesses. Provide financing and tax credits to manufacturing entities expanding or locating facilities in the Commonwealth.	None.	Varies
Kentucky Public Transportation Infrastructure Authority ("KPTIA")	KRS 175B.005-175B.115 Facilitate construction, financing, operation, and oversight of significant transportation projects within the Commonwealth by entering into bi-state agreements and by creating bi-state authorities and project authorities.	Cannot incur debt without prior approval of projects by the Kentucky General Assembly.	Baa2/NR/BBB+/NR

[†] As of September 18, 2024. Ratings, where applicable, include Moody's, Standard & Poor's, Fitch, and Kroll. Certain State Property and Buildings Commission Agency and Road Fund Revenue Bonds may have ratings different from those identified above. The above table is exclusive of any rating associated with any bond insurance policy associated with any entity identified above or a bond or other obligation issued or incurred by any such entity.

Notes:

Following are recent ratings for the referenced issuer or obligations; this is not a comprehensive history of all rating changes:

State Property and Buildings Commission:

- On May 11, 2023, Fitch Ratings ("Fitch") upgraded the Commonwealth's Long-Term Issuer Default Rating ("IDR") to "AA" from "AA-" and its rating on the Commonwealth's appropriation-backed debt to "AA-" from "A+". At the same time, Fitch upgraded its rating on the Next Generation and Public Private Partnership counterparty obligations for the Kentucky Wired Project to "A+".
- On June 29, 2023, Standard & Poor's ("S&P") upgraded the Commonwealth's issuer credit rating to "A+" from "A" and its rating on the Commonwealth's appropriation-backed debt to "A" from "A-". At the same time, S&P upgraded its rating on the Commonwealth's appropriation-backed lease debt from the Administrative Office of the Courts to "A-" from "BBB+" and its long-term rating on certain issues linked to the state intercept programs for schools and universities to "A" from "A-".
- On September 18, 2024, Moody's Investors Service, Inc. ("Moody's") upgraded the Commonwealth's issuer credit rating to "Aa2" from "Aa3" and its rating on the Commonwealth's General Fund appropriation-backed debt to "Aa3" from "A1". At the same time, Moody's upgraded its rating on the Commonwealth's General Fund appropriation-backed debt associated with less essential projects to "A1" from "A2", its rating on the Commonwealth's Road Fund appropriation-backed debt issued by the State Property and Buildings Commission to "Aa2" from "Aa3", its rating on the Kentucky School District Enhancement Program to "Aa3" from "A1", and its rating on the Kentucky Public University Intercept Program to "Aa3" from "A1".

Turnpike Authority of Kentucky:

- On August 23, 2021, Kroll assigned a rating of "AA-" to the Turnpike Authority of Kentucky.
- On May 11, 2023, Fitch upgraded the Turnpike Authority of Kentucky's Road Fund appropriation-supported obligations to "AA-" from "A+".
- On June 28, 2023, S&P upgraded the Turnpike Authority of Kentucky's Road Fund appropriation-supported obligations to "A" from "A-".
- On September 18, 2024, Moody's upgraded the Turnpike Authority of Kentucky's Road Fund appropriation-supported obligations to "Aa2" from "Aa3".

Kentucky Asset/Liability Commission – GARVEEs:

- On February 18, 2014, Moody's downgraded certain stand-alone GARVEEs, issued by the Kentucky Asset/Liability Commission, backed by appropriations from the Federal Highway Trust Fund to "A1" from "Aa3".
- On June 16, 2014, Moody's downgraded certain GARVEEs, issued by the Kentucky Asset/Liability Commission, backed by appropriations from the Federal Highway Trust Fund to "A2" from "A1".
- On May 11, 2023, Fitch upgraded certain GARVEEs, issued by the Kentucky Asset/Liability Commission, backed by appropriations from the Federal Highway Trust Fund to "AA-" from "A+".
- On June 28, 2023, S&P upgraded certain GARVEEs, issued by the Kentucky Asset/Liability Commission, backed by appropriations from the Federal Highway Trust Fund to "A" from "A-".

Kentucky Infrastructure Authority:

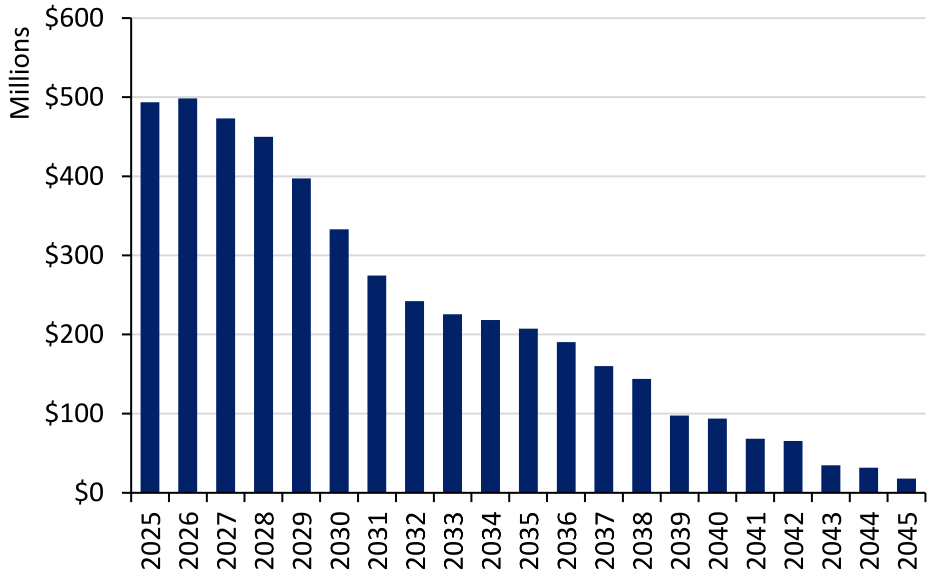
- The Kentucky Infrastructure Authority's Governmental Agencies Program Revenue Bonds are rated "AA+" by S&P and are backed by the loans of the borrowers. The Kentucky Infrastructure Authority's Wastewater and Drinking Water Revolving Fund Revenue Bonds are rated "Aaa/AAA/AAA" by Moody's, S&P, and Fitch, respectively.

Kentucky Public Transportation Infrastructure Authority:

- On April 17, 2024, Fitch upgraded the rating on the Kentucky Public Transportation Infrastructure Authority's First Tier Revenue Bonds and Transportation Infrastructure Finance and Innovation Act Loan to "BBB+" from "BBB".
- On March 30, 2021, Moody's upgraded the rating on the Kentucky Public Transportation Infrastructure Authority's First Tier Revenue Bonds and Transportation Infrastructure Finance and Innovation Act loan to "Baa2" from "Baa3".

TABLE II

COMMONWEALTH OF KENTUCKY
GENERAL FUND SUPPORTED DEBT SERVICE*



* Includes the Commission, ALCo, and SFCC debt supported by the General Fund as of June 30, 2024. Debt service is "net" of any capitalized interest. Excludes any bonds supported by the Agency Fund or Road Fund issued by the foregoing entities, P3s (as defined herein), COPs (as defined herein), or the Administrative Office of the Courts.

EXHIBIT B

PROJECTS FOR THE BENEFIT OF THE COMMONWEALTH OF KENTUCKY FINANCED UNDER PUBLIC PRIVATE PARTNERSHIPS

Overview

Due to varying factors, including, but not limited to, political hurdles, fiscal environment challenges, project complexities, and the sheer size of need between varying sectors, the nation has been faced with the challenge to update fundamental, yet aging, infrastructure nationwide. For these reasons, state and local governments, including the Commonwealth, are driven to explore alternative means for procurement and delivery of such projects. This exploration has resulted in the Public-Private Partnership ("P3") structures being utilized on specific projects, as a viable method versus traditional public sector financing to design, build, and operate required infrastructure projects in aspects of risk sharing, innovation, and value to the taxpayer.

The Commonwealth of Kentucky has financed 3 capital construction projects through the P3 structure. In 2015, the Commonwealth of Kentucky State Office Building project was financed through the issuance of $68,757,000 tax-exempt Certificates of Participation ("COPs"). In 2015, the Next Generation-Kentucky Information Highway project was funded from proceeds of a conduit issue of $231,950,000 of tax-exempt senior bonds, $57,996,000 of taxable senior bonds and $15,229,000 of subordinate bonds via the Kentucky Economic Development Finance Authority. In 2018, the Commonwealth of Kentucky State Office Building project was financed through the issuance of $107,260,000 tax-exempt COPs and $3,415,000 taxable COPs.

For a brief summary of P3 projects undertaken by the Commonwealth, please see "Table I, Active Public Private Partnerships," or read each project's description below.

Commonwealth P3 Projects

2015 Commonwealth of Kentucky State Office – 300 Sower Building. The Certificates of Participation, Series 2015 (Commonwealth of Kentucky State Sower Office Building) closed on April 29, 2015. The proceeds of the Series 2015 COPs provided funds to construct, install, and equip an office building consisting of approximately 371,160 square feet in Frankfort, Kentucky. The office building accommodates 1,400 workers. Construction commenced in March 2015 and the project achieved substantial completion and final completion on April 1 and May 15, 2016, respectively.

Under a "Design/Build/Finance/Operate/Maintain" structure, the Commonwealth's Department of Facilities Management issued a request for proposals for construction of the office building. The Commonwealth transferred state-owned property at 300 Sower Boulevard, Frankfort, Kentucky to the winning proposer, CRM/D.W. Wilburn, a single-purpose Kentucky limited liability company comprised of a contract developer and contractor, and executed both a management contract and a facilities lease (i.e. lease to purchase) agreement. Under the management contract, the building is managed by the developer upon completion of the project. Additionally, the lease allows the Commonwealth to use and occupy the building, subject to proper management and the payment of periodic lease payments, which consists of base rent and additional rent. The Commonwealth maintains an option to purchase the entire project on any date on or after the commencement of the lease, otherwise the project will be conveyed back to the Commonwealth at the end of the lease term.

The Series 2015 COPs are payable solely from the revenues to be derived from the rental payments of the Finance and Administration Cabinet under the lease.

The complete Official Statement for the Commonwealth State Office Building project may be obtained from the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website at:

http://emma.msrb.org/ER1080545.pdf

2015 Next Generation Kentucky Information Highway Project. The Next Generation Kentucky Information Highway System ("System") is a statewide network for internet access consisting of electronic equipment, fiber cable, outside plant installations, building facilities, interface equipment, network services, and customer services that is designated to upgrade the services available to its core users, as well as develop a state-wide middle-mile network with excess capacity that can deliver reliable, high-speed internet connectivity throughout Kentucky to stimulate economic activity. The Kentucky Communications Network Authority ("KCNA") and its Board manage and oversee the System.

The System is being developed through a "Design Build/Finance Operate/Maintain" public/private partnership structure and is almost complete. The Commonwealth and the developer (the "System Developer") entered into a project implementation agreement, pursuant to which the Commonwealth granted the System Developer an exclusive right to design, construct, operate, and maintain the System in return for payments by the Commonwealth in the form of a milestone payment, a designated equipment payment, and availability payments. The Kentucky Economic Development Finance Authority issued Senior Revenue Bonds (Next Generation Kentucky Information Highway Project) on September 3, 2015, the proceeds of which were loaned to a non-profit corporation, Kentucky Wired Infrastructure Corp. ("Borrower"), for the purpose of paying a portion of the costs of the design, development and construction of the System ("Project").

The Borrower's primary source of revenue to repay the loan is the receipt of availability payments and, in certain circumstances, a termination payment, to be made by the Commonwealth to the Borrower under a project agreement. All availability payments (or termination payment) to be made by the Commonwealth are subject to appropriation by the Kentucky General Assembly.

The System Developer included a detailed Project Schedule and Schedule Update in its Next Generation Kentucky Information Highway Project Final Monthly EMMA Report for the October 2021 reporting period. On December 14, 2018, the different Project parties entered into a Settlement Agreement resolving 207 Supervening Events. The terms of the settlement have been incorporated into an Amended and Restated Project Agreement with an effective date of March 13, 2019. Pursuant to this settlement, the Commonwealth paid $93,000,000 for Project completion costs and for costs resulting from Supervening Events. As a result of the Amended and Restated Project Agreement, the Project Longstop Date was October 29, 2021. Construction progress had been halted on the Project due to ongoing disputes resulting from disagreements related to the Fort Knox huts quality and service migration issues. On August 10, 2021 the different Project parties entered into a Settlement Agreement contingent upon Bondholders Approval which was achieved on September 30, 2021. It was also contingent upon consent of the Collateral Agent, which was obtained October 1, 2021. A Change Directive was then issued on October 13, 2021 which incorporates the terms of the Settlement Agreement into the Project and Design Build Agreements. As a result, the System is deemed complete and the Construction Period ended.

Senate Bill 200, adopted in the 2018 Regular Session of the Kentucky General Assembly, authorized full funding for availability payments from the General Fund through fiscal year 2020.

Senate Bill 200 also authorized up to $110,000,000 for payment of the Settlement Amount and certain project costs. The financing was completed on August 6, 2019.

The complete Official Statement and filings for the Next Generation Kentucky Information Highway project may be obtained from EMMA at:

http://emma.msrb.org/ES965582.pdf

2018 Commonwealth of Kentucky State Office Building Project – Mayo-Underwood Building. The Certificates of Participation, Series 2018A and Taxable Series 2018B (Commonwealth of Kentucky State Office Building Project) closed on February 22, 2018. The proceeds of the Series 2018A and Taxable Series 2018B COPs provided funds to finance the demolition and renovation of an existing downtown Frankfort commercial property known as Capital Plaza and to construct, install, and equip a new office building consisting of approximately 385,022 square feet, together with an approximately 1,086 space parking garage and approximately 112 space surface parking facility. The office building is designed to comfortably accommodate 1,500 Commonwealth employees. Site work commenced in December 2017 and achieved substantial completion on February 27, 2020.

Under a "Design/Build/Finance/Operate/Maintain" structure, the Commonwealth's Department of Facilities Management issued a request for proposals for construction of a new office building with supporting infrastructure and demolition of Capital Plaza structures. The Commonwealth transferred state-owned property in downtown Frankfort, Kentucky to the winning proposer, CRM/D.W. Wilburn #2, LLC, a Kentucky limited liability company comprised of a contract developer and a contractor, and executed both a management contract and a facilities lease agreement. Under the management contract, the building will be managed by the developer upon completion of the project. Additionally, the lease allows the Commonwealth to use and occupy the building, subject to proper management and the payment of periodic lease payments, which consist of base rent and additional rent. The Commonwealth maintains an option to purchase the entire project on any date on or after the commencement of the lease, otherwise the project will be conveyed back to the Commonwealth at the end of the lease term.

The Series 2018A and Taxable Series 2018B COPs are payable solely from the revenues to be derived from the rental payments of the Finance and Administration Cabinet under the lease and are additionally secured by a regular capitalized interest account and a special capitalized interest account.

A naming ceremony was held on August 13, 2019 to honor the Mayo-Underwood School that served African American students during a time when public schools were segregated. The Mayo-Underwood Building is situated at the corner of Mero Street and Wilkinson Blvd, where the school stood for more than 40 years.

The complete Official Statement for the Commonwealth State Office Building project may be obtained from EMMA at:

https://emma.msrb.org/ES1106617-ES864766-ES1265884.pdf

Default Record

The Commonwealth has never defaulted on any payments relative to a P3 obligation.

TABLE I

ACTIVE PUBLIC PRIVATE PARTNERSHIPS

Project	Structure	Status	Principal Outstanding
2015 Commonwealth of Kentucky State Sower Office Building	Capital lease payments, consisting of base rent and additional rent, made pursuant to a facilities lease agreement under a 30-year, tax-exempt structure.	Project commenced in March 2015 and achieved substantial completion on April 1, 2016 and final completion on May 15, 2016. Full occupancy was achieved by August 23, 2016.	$58,430,000
2015 Next Generation – Kentucky Information Highway	Availability payments under a taxable, tax-exempt, and subordinate structure for a 30-year term.	Project commenced in 2015 and as of October 13, 2021, the System has been deemed complete and the Construction Period has ended.	$276,465,730
2018 Commonwealth of Kentucky State Office Building	Capital lease payments, consisting of base rent and additional rent, made pursuant to a facilities lease agreement under a taxable and a tax-exempt structure for a 30-year term.	Project commenced in December 2017 and achieved substantial completion on February 27, 2020. Full occupancy was achieved on December 17, 2019.	$96,130,000

EXHIBIT C

THE PROJECT

The Cabinet will lease all of the property, economic development projects, or community development projects, as described below, to the extent proceeds of the Bonds are used to pay the costs thereof (portions of which costs have been paid with proceeds of any Commission bonds previously issued or may be paid from the proceeds of any Commission bonds to be issued in the future).

Agency	Project Title	Amount
2010-12		
Cabinet for Economic Development	Kentucky Economic Development Finance Authority (KEDFA) Loan Pool	$19,339,488
2012-14		
Energy and Environment Cabinet (EEC) – Department of Environmental Protection	Maxey Flats Cap	1,443,754
Cabinet for Health and Family Services (CHFS) – Department for Behavioral Health, Developmental and Intellectual Disabilities (DBHDID)	Western State Hospital – Electrical System Upgrade – Design	259,559
2014-16		
Finance and Administration Cabinet (FAC) – General Administration	Next Generation Kentucky Information Highway	3,356,661
CHFS – Department for Public Health	Radiation Monitoring Equipment	566,895
Tourism, Arts and Heritage Cabinet (TAHC) – State Fair Board	Kentucky International Convention Center Renovation and Expansion	194,185
TAHC – State Fair Board	Freedom Hall Sewer Line Replacement	71,661
TAHC – Kentucky Center for the Performing Arts	Roof Replacement	495,856
TAHC – Department of Parks	Upgrade Guest Accommodations	70,574
Murray State University	Construct New Breathitt Veterinary Center	468,131
2016-18		
Cabinet for Economic Development	High-Tech Construction/Investment Pool – 2016-2018	7,000,000
Cabinet for Economic Development	KEDFA Loan Pool – 2016-2018	984,416
Education and Labor Cabinet (KELC) – General Admin and Program Support	Workforce Development Construction Pool	384,009
KELC – Department of Education	Kentucky School for the Blind – Howser Hall Renovation	13,184
KELC – Department of Education	Kentucky School for the Deaf – New Elementary Building	87,390
FAC – General Administration	Business One-Stop Portal – Phase III	6,456,923
FAC – Department of Facilities and Support Services	Upgrade L&N Building	392,432
FAC – Department of Facilities and Support Services	CHR Building – HVAC Replacement	9,766
CHFS – DBHDID	Western State Hospital – Electrical Upgrade – Phase I	26,839
Justice and Public Safety Cabinet (JPSC) – Department of Corrections	Kentucky Correctional Institution for Women – Sewer Plant/Line	224,229
TAHC – Department of Parks	Maintenance Pool – 2016-2018	5,092
TAHC – State Fair Board	Kentucky Exposition Center Roof Repair	682,428
2018		
KELC – Kentucky Educational Television	FCC Transmitter Repack and Repack	170,302
FAC – Department of Facilities and Support Services	L&N Building Security and Structural Repairs	67,474
FAC – Department of Facilities and Support Services	Upgrade Capitol Mechanical and Electrical System – Phase I	12,244
CHFS – DBHDID	Western State Hospital – Electrical Upgrade – Phase II	822,449
CHFS – DBHDID	Hazelwood – HVAC System Replacement	579,333
CHFS – DBHDID	Oakwood – Renovate/Replace Cottages – Phase I	111,673
JPSC – Department of Corrections	Demolish and Repair Tower – Kentucky State Reformatory	2,801,905

Agency	Project Title	Amount
JPSC – Department of Corrections	Replace Perimeter Fence – Kentucky State Reformatory	214,807
JPSC – Kentucky State Police	Two-Way Radio System Replacement – Phase I	78,450,466
Department of Military Affairs	Armory Modernization Pool – 2018-2020	43,681
TAHC – Department of Parks	Maintenance Pool – 2018-2020	239,244
TAHC – State Fair Board	Kentucky International Convention Center – Roof Replacement	503,596
FAC – Department of Revenue	Integrated Tax System	64,549,956
FAC – Commonwealth Office of Technology	Legacy System Retirement	1,612,771
Kentucky Transportation Cabinet	Kentucky Aviation Economic Development Fund	203,485
2019		
Cabinet for Economic Development	Economic Development Bond Program	25,000,000
TAHC – Department of Parks	Hospitality Upgrades Pool	17,305
TAHC – Department of Parks	Life Safety System Upgrade and ADA Improvements Pool	15,444
TAHC – Department of Parks	Utilities & Communications Cabling Infrastructure Replacement Pool	217,390
TAHC – Department of Parks	Lodge Roof Replacement and Repairs Pool	1,219,789
TAHC – Department of Parks	Waste Water Treatment and Infrastructure Upgrades Pool	6,541,684
2020-2021		
Eastern Kentucky University	Purchase Aviation Maintenance Technician/Pilot Training Equipment	253,805
Eastern Kentucky University	Construct Aviation/Aerospace Instructional Facility	4,906,800
Office of the Attorney General	Upgrade Technology	1,036,176
FAC – Department of Facilities and Support Services	Capitol Campus Upgrade	273,735,744
FAC – Department of Facilities and Support Services	Air Handler Replacement and Repair – Central Lab	464,894
FAC – Department of Facilities and Support Services	Elevator Upgrades – Phase I	28,942
JPSC – Department of Corrections	Repair/Replace Roofs – Eastern Kentucky Correctional Complex	703,801
JPSC – Department of Corrections	Generator Replacement – Various Facilities	3,443,067
CHFS – DBHDID	Western State Hospital – Electrical Upgrade – Phase III	3,356,371
CHFS – DBHDID	Oakwood – Renovate/Replace Cottages – Phase II	7,270,647
CHFS – DBHDID	Oakwood – Replace, Upgrade, and Enhance Emergency Generators	821,423
TAHC – State Fair Board	Prestonia Grounds and Infrastructure Improvements	184,036
TAHC – Department of Parks	Wastewater Treatment Upgrades Pool – 2020-2022	8,515,000
TAHC – Department of Parks	Maintenance Pool – 2020-2022	9,762
EEC – Department of Environmental Protection	State-Owned Dam Repair – 2020-2022	4,436,033
KELC – Department of Education	School Safety Facility Upgrade	48,650
Department of Veterans' Affairs	Construct Bowling Green Veterans Center	10,425,000
Cabinet for Economic Development	Economic Development Bond Programs – 2020-2022	2,500,000
Cabinet for Economic Development	High-Tech Construction/Investment Pool – 2020-2022	2,500,000
Cabinet for Economic Development	KEDFA Loan Pool – 2020-2022	2,500,000
TAHC – Kentucky Heritage Council	Records Digitization	8,908
KELC – Office of Unemployment Insurance	Replace Unemployment Insurance System	10,000,000
JPSC – Department of Corrections	Design Relocation of Corrections Medical Facility	1,777,647
JPSC – Department of Corrections	Design of the Expansion of Little Sandy Correctional Complex	702,000
Kentucky State University	Roof Repair and Replacement Pool	1,485,295
University of Kentucky	Sanders-Brown Center on Aging	6,871,870
2022		
Eastern Kentucky University	Renovate Alumni Coliseum	19,237,323
Eastern Kentucky University	Construct New Model Laboratory School	89,026,315
Eastern Kentucky University	Asset Preservation Pool – 2022-2024	37,593,958

Agency	Project Title	Amount
Kentucky State University	Asset Preservation Pool – 2022-2024	4,207,565
Morehead State University	Construct Science and Engineering Building	96,023,451
Morehead State University	Asset Preservation Pool – 2022-2024	15,043,042
Murray State University	Construct School of Nursing and Health Professional Building	43,897,372
Murray State University	Asset Preservation Pool – 2022-2024	39,400,254
Northern Kentucky University	Expand Herrmann Science Center	77,242,899
Northern Kentucky University	Asset Preservation Pool – 2022-2024	33,821,033
University of Kentucky	Construct Health Education Building	230,784,342
University of Kentucky	Asset Preservation Pool – 2022-2024	126,458,455
University of Louisville	Speed School Addition	51,220,629
University of Louisville	Asset Preservation Pool – 2022-2024	60,454,129
Western Kentucky University	Construct New Gordon Ford College of Business	50,490,455
Western Kentucky University	Asset Preservation Pool – 2022-2024	59,470,267
Kentucky Community and Technical College System	Renovate Occupational Technical Building – Phase I – Elizabethtown CTC	16,313,880
Kentucky Community and Technical College System	Expand Leitchfield Campus – Elizabethtown CTC	8,604,691
Kentucky Community and Technical College System	Construct Student/Classroom – Bluegrass CTC Newtown	52,058,000
Kentucky Community and Technical College System	Asset Preservation Pool – 2022-2024	59,011,889
Kentucky Infrastructure Authority	KIA Fund A – Federally Assisted Wastewater Program	7,241,969
Kentucky Infrastructure Authority	KIA Fund F – Drinking Water Revolving Loan Program	4,658,284
Kentucky Infrastructure Authority	KIA Fund B – Infrastructure Revolving Fund	25,000,000
Department of Military Affairs	Construct Readiness Center Somerset	4,227,000
Department for Local Government	Flood Control Local Match	7,062,919
Cabinet for Economic Development	Economic Development Bond Programs – 2022-2024	10,000,000
Cabinet for Economic Development	High-Tech Construction/Investment Pool – 2022-2024	10,000,000
Cabinet for Economic Development	KEDFA Loan Pool – 2022-2024	10,000,000
KELC – Department of Education	State Schools Safety and Security Pool – 2022-2024	2,796,905
KELC – Department of Education	State Schools Dormitory and Cottage Renovation	5,271,409
KELC – Department of Education	Construct Leadership Training Center Classrooms and Activity Center	5,840,056
EEC – Department of Environmental Protection	State-Owned Dam Repair – 2022-2024	6,500,100
EEC – Department of Environmental Protection	Southern Wood Treatment Site	4,565,794
FAC – Office of the Controller	eMARS Upgrade & Systems Enhancements	2,660,078
FAC – Department of Facilities and Support Services	Historic Properties Deferred Maintenance	1,605,154
FAC – Department of Facilities and Support Services	HVAC Replacement/Rebuild – Various	4,087,332
FAC – Department of Facilities and Support Services	L&N Building Exterior Upgrade	6,373,850
FAC – Department of Facilities and Support Services	CHS Building – Escalators Replacement and Elevator Upgrades	4,545,972
CHFS – DBHDID	Oakwood – Renovate/Replace Cottages – Phase III	9,998,000
CHFS – DBHDID	Western State Nursing Facility – Renovations	6,060,525
CHFS – Department for Income Support	Kentucky Child Support Enforcement System (KASES III)	11,184,682
CHFS – Department for Community Based Services	The Workers Information System (TWIST) Modernization	7,350,358
JPSC – Department of Criminal Justice Training	New Indoor Firing Range	18,100,974
JPSC – Department of Corrections	Relocate Medical Services/CPTU from Kentucky State Reformatory	150,094,108
JPSC – Department of Corrections	Little Sandy Correctional Complex – Expansion	41,113,603
JPSC – Kentucky State Police	Post 7 (Richmond) & Post 10 (Harlan) Construction	8,413,900
JPSC – Kentucky State Police	Kentucky Emergency Warning System Fiberglass Shelter Replacement	3,939,039
TAHC – Department of Parks	Life Safety System Upgrades and Replacement Pool	3,000,000
TAHC – Department of Parks	Structural and Safety Repairs Pool	6,536,800
TAHC – Department of Parks	Statewide ADA Mobility Improvements Pool	1,065,000

Agency	Project Title	Amount
TAHC – Department of Parks	Dam Safety Reconstruction and Repairs Pool	5,000,000
TAHC – Department of Parks	EP Tom Sawyer – Pool and Recreational Building Upgrades Pool	1,280,000
TAHC – Department of Parks	Lake Barkley State Resort Park – Lodge Wing Interior Upgrades	2,760,000
TAHC – Department of Parks	Pool Improvement and Repairs Pool	11,955,900
TAHC – Department of Parks	Beach Refurbishment Pool	346,600
TAHC – Department of Parks	Playground Updates and Improvements Pool	1,200,000
TAHC – Department of Parks	Golf Course Irrigation Replacement Pool	5,332,500
TAHC – Department of Parks	Golf Course Bermuda Greens Conversion Pool	575,000
TAHC – Department of Parks	Golf Course Bunker Repairs Pool	2,590,000
TAHC – Department of Parks	Lake Barkley State Resort Park – Emergency Repairs	6,918,670
TAHC – Department of Parks	Jenny Wiley State Resort Park – Emergency Repairs	5,500,000
TAHC – Department of Parks	Campground Updates	33,909,600
TAHC – Department of Parks	Utility Improvements	18,385,000
TAHC – Department of Parks	Broadband Upgrades	4,600,000
TAHC – Kentucky Horse Park	Renovate International Museum of the Horse	1,676,933
TAHC – State Fair Board	State Fair Board Property Improvements	161,851,810
TAHC – State Fair Board	Maintenance Pool	120,129
Kentucky Transportation Cabinet	Barkley Regional Airport Improvement Pool	5,280,806
Kentucky Transportation Cabinet	Mt. Sterling/Montgomery County Airport Improvement Pool	7,493,702
Kentucky Transportation Cabinet	Bardstown/Nelson County Airport Improvement Pool	4,936,686
<u>2024</u>		
Kentucky Infrastructure Authority	KIA Fund B – Infrastructure Revolving Fund	25,000,000
Kentucky Infrastructure Authority	KIA Fund A – Federally Assisted Wastewater Program	13,932,000
Kentucky Infrastructure Authority	KIA Fund F – Drinking Water Revolving Loan Program	12,052,000
Kentucky Communications Network Authority	KentuckyWired Critical Infrastructure Upgrades	12,927,000
Kentucky Communications Network Authority	KentuckyWired Critical Infrastructure Purchases	12,432,000
Department for Local Government	Flood Control Local Match	12,000,000
Department of Military Affairs	Armory Installation Facility Maintenance Pool – 2024-2026	8,000,000
Department of Military Affairs	Construct Readiness Center – Somerset – Additional	4,032,000
Department of Military Affairs	Modernization Pool – Kentucky National Guard – 2024-2026	2,000,000
Department of Military Affairs	Restoration Ashland Armory – Phase I	1,000,000
Department of Military Affairs	Construct Armory Addition – Shelbyville	1,000,000
Department of Military Affairs	Construct Armory 4 – Frankfort	1,000,000
School Facilities Construction Commission	School Facility Assistance Fund – 2025-2026	146,696,000
School Facilities Construction Commission	Offers of Assistance – 2022-2024	85,000,000
School Facilities Construction Commission	Special Offers of Assistance– 2024-2025	61,641,000
School Facilities Construction Commission	Secondary Area Technology Center Renovation Pool – 2025-2026	50,000,000
Department of Veterans' Affairs	Radcliff Veterans Center HVAC System Replacement	9,000,000
Department of Veterans' Affairs	Renovate Interior/Exterior – Thomson-Hood Veterans Center	7,000,000
Department of Veterans' Affairs	Replace Fire System – Western Kentucky Veterans Center	1,500,000
Department of Veterans' Affairs	Replace Roof – Eastern Kentucky Veterans Center	1,500,000
Department of Veterans' Affairs	Replace Exterior Lighting – Thomson-Hood Veterans Center	1,500,000
Department of Veterans' Affairs	Replace Roof – Western Kentucky Veterans Center	1,500,000
Cabinet for Economic Development	KEDFA Loan Pool – 2024-2026	10,000,000
Cabinet for Economic Development	Economic Development Bond Programs – 2024-2026	10,000,000
Cabinet for Economic Development	High-Tech Construction/Investment Pool – 2024-2026	10,000,000

Agency	Project Title	Amount
KELC – Department of Education	McDaniel/Scoggin Classroom Building Upgrades	8,000,000
KELC – Department of Education	State Schools Safety and Security Pool	1,000,000
KELC – Department of Education	State Schools Exterior Building Maintenance	1,000,000
KELC – Department of Education	Future Farmers of America Activity Center	1,000,000
KELC – Department of Education	Education Finance Application – Phase 2	2,000,000
EEC – Department of Environmental Protection	State-Owned Dam Repair – 2024-2026	22,200,000
EEC – Department of Environmental Protection	Remediate and Cleanup Wiley Property Site	9,480,000
EEC – Department of Environmental Protection	Remediate and Cleanup State Superfund Sites	2,038,000
EEC – Department of Natural Resources	Replace Unsafe Fire Equipment	1,273,000
FAC – Office of the Controller	Upgrade and Enhance eMARS Systems	3,500,000
FAC – Department of Facilities and Support Services	Capitol Annex Renovation	168,000,000
FAC – Department of Facilities and Support Services	Replace Roof for Transportation Building	8,000,000
FAC – Department of Facilities and Support Services	Replace Roof for Central Lab Building	8,000,000
FAC – Department of Facilities and Support Services	Historic Properties Deferred Maintenance Pool – 2024-2026	6,000,000
FAC – Department of Facilities and Support Services	Renovate Cabinet for Human Resources – Phase I	5,000,000
FAC – Department of Facilities and Support Services	Roof Pool	3,000,000
FAC – Department of Facilities and Support Services	Asphalt Pool	1,500,000
FAC – Commonwealth Office of Technology	Replace and Modernize Legacy Systems	10,000,000
CHFS – DBHDID	Construct Forensic Psychiatric Hospital – KCPC	63,863,000
CHFS – DBHDID	Replace HVAC Piping – Western State Hospital	12,019,000
CHFS – DBHDID	Replace Water Lines – Oakwood	4,507,000
CHFS – DBHDID	Upgrade Mechanical Lines – Western State Hospital	3,985,000
CHFS – Department for Public Health	Expand Central Laboratory	36,450,000
JPSC – Department of Corrections	EKCC – Façade and Structural Repairs/Replacememt	85,400,000
JPSC – Department of Corrections	EKCC – HVAC Replacement	80,000,000
JPSC – Department of Corrections	Relocate Medical Services – Phase II	58,013,000
JPSC – Department of Corrections	Maintenance Pool – 2024-2026	40,000,000
JPSC – Department of Corrections	Design Level 4 Prison in Eastern Kentucky	29,000,000
JPSC – Department of Corrections	Kentucky State Reformatory – Demolition	7,036,000
JPSC – Department of Corrections	Replace KSR Gates & Controls at Cellhouses 3, 4, 5, & 6	5,950,000
JPSC – Department of Corrections	Install Little Sandy Correctional Complex Furniture Package	5,000,000
JPSC – Department of Corrections	Replace Northpoint Training Center HVAC at Dormitories	4,720,000
JPSC – Department of Corrections	Replace Kentucky State Penitentiary Utilities Infrastructure	4,320,000
JPSC – Department of Corrections	Upgrade Green River Correctional Complex Full Electrical System	4,000,000
JPSC – Department of Corrections	Repair and Paint Various Water Towers – Additional	2,400,000
JPSC – Department of Corrections	Repair Northpoint Training Center Exterior Dorms Masonry Tuckpoint	2,320,000
JPSC – Department of Corrections	Assess Statewide Electrical System	2,000,000
JPSC – Department of Corrections	Renovate Northpoint Training Center Restricted Housing Unit	1,800,000
JPSC – Department of Juvenile Justice	Renovate Louisville Detention Center – Additional	25,500,000
JPSC – Department of Juvenile Justice	Retrofit McCracken County Juvenile Detention Center	11,000,000
JPSC – Department of Juvenile Justice	Retrofit Breathitt County Juvenile Detention Center	9,600,000
JPSC – Department of Juvenile Justice	Renovate Lyndon Facility – Additional	3,000,000
JPSC – Department of Juvenile Justice	Retrofit Fayette County Juvenile Detention Center	2,600,000
JPSC – Kentucky State Police	Emergency Radio System Replacement – Additional	47,900,000
JPSC – Kentucky State Police	Purchase of New Helicopter	8,000,000
JPSC – Kentucky State Police	Post 7 (Richmond) & Post 10 (Harlan) Construction – Additional	7,250,000
JPSC – Kentucky State Police	Maintenance Pool – 2024-2026	7,000,000

Agency	Project Title	Amount
JPSC – Kentucky State Police	Replace and Repair Various HVAC	5,000,000
JPSC – Kentucky State Police	Construct New Skills Pad at Training Academy	3,900,000
JPSC – Kentucky State Police	Upgrade Telecommunicator Technology	2,200,000
JPSC – Kentucky State Police	Construct Post 1 (Hickory) Radio Room Expansion	1,000,000
Eastern Kentucky University	Construct New Model Laboratory School – Phase II	59,100,000
Eastern Kentucky University	Asset Preservation Pool – 2024-2026	51,820,000
Kentucky Community and Technical College System	Efficient Operations and Innovation Plan	90,000,000
Kentucky Community and Technical College System	Asset Preservation Pool – 2024-2026	71,000,000
Kentucky Community and Technical College System	Renovate Occupational Technical Building – Phase II – Elizabethtown CTC	44,000,000
Kentucky State University	Asset Preservation Pool – 2024-2026	60,000,000
Kentucky State University	Design Health Sciences Center	5,000,000
Morehead State University	Construct Multi-Disciplinary Classroom Building	90,000,000
Morehead State University	Asset Preservation Pool – 2024-2026	37,670,000
Murray State University	Asset Preservation Pool – 2024-2026	46,682,000
Murray State University	Construct Learning Commons with Housing	38,000,000
Northern Kentucky University	Renew/Renovate Steely Library	49,000,000
Northern Kentucky University	Asset Preservation Pool – 2024-2026	46,152,000
Northern Kentucky University	Enhance Online Programs	20,000,000
Northern Kentucky University	Renovate/Expand Civic Center	17,300,000
University of Kentucky	Construct Agriculture Research Facility 1	200,000,000
University of Kentucky	Asset Preservation Pool – 2024-2026	123,450,000
University of Louisville	Construct Health Sciences Simulation Center & Collaboration Hub	260,000,000
University of Louisville	Asset Preservation Pool – 2024-2026	69,106,000
Western Kentucky University	Replace Academic Complex	160,000,000
Western Kentucky University	Asset Preservation Pool – 2024-2026	57,162,000
TAHC – State Fair Board	Kentucky Exposition Center Redevelopment Plan – Phase II	212,709,000
TAHC – State Fair Board	Backup Power Supply	30,000,000
TAHC – State Fair Board	Kentucky Exposition Center Paving Pool	10,000,000
TAHC – State Fair Board	Upgrade Air Handling and Filtration System	4,000,000
TAHC – State Fair Board	Replace IT Infrastructure	2,100,000
TAHC – Kentucky Historical Society	Kentucky Old State Capitol Preservation	2,185,000
TAHC – Kentucky Horse Park	Maintenance Pool – 2024-2026	3,000,000
TAHC – Department of Parks	Utility Infrastructure Replacement – Phase 2	45,000,000
TAHC – Department of Parks	Wastewater Treatment Plant System Upgrades – Multiple Parks	18,000,000
TAHC – Department of Parks	Yatesville Marina Replacement	15,000,000
TAHC – Department of Parks	Jenny Wiley Marina Reconstruction	12,200,000
TAHC – Department of Parks	Cumberland Falls Lodge Room Upgrade/Reconfiguration	10,000,000
TAHC – Department of Parks	JJ Audubon New Conference Center	7,500,000
TAHC – Department of Parks	Lake Barkley – Lodge Wing Exterior Repair	6,000,000
TAHC – Department of Parks	Conference Center Upgrades	3,065,000
TAHC – Department of Parks	Lake Barkley Fitness Center Upgrades	3,000,000
TAHC – Department of Parks	Kenlake Structure Refurbishment (Cherokee)	1,500,000
TAHC – Department of Parks	Jenny Wiley New Archery Center	1,450,000
TAHC – Department of Parks	Pennyrile Beach Complex Repair/Upgrade	1,200,000
TAHC – Department of Parks	JJ Audubon Beach House Conversion	1,045,000
Administrative Office of the Courts	Construction – Court of Appeals	14,100,000
	Grand Total	**$5,762,213,437**

EXHIBIT D

BOOK-ENTRY-ONLY SYSTEM

The Bonds initially will be issued solely in book-entry form to be held in the book-entry-only system maintained by The Depository Trust Company ("DTC"), New York, New York. So long as such book-entry-only system is used, only DTC will receive or have the right to receive physical delivery of Bonds and, except as otherwise provided herein with respect to tenders by Beneficial Owners (as hereinafter defined) of beneficial ownership interests, Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Resolution.

The following information about the book-entry-only system applicable to the Bonds has been supplied by DTC. Neither the Commission nor the Trustee makes any representations, warranties, or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Securities 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 for each maturity of the Bonds, in the aggregate principal amount of the Bonds and will be deposited with DTC.

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 3.5 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

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

Redemption proceeds, distributions, and interest 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 Commission 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 bonds held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC, the Trustee or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission 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.

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

The Commission 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.

NEITHER THE COMMISSION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT, BENEFICIAL OWNER, OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A HOLDER WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

Each Beneficial Owner for whom a Direct Participant or an Indirect Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, to have all notices of redemption or other communications to or by DTC which may affect such Beneficial Owner forwarded in writing by such Direct Participant or Indirect Participant, and to have notification made of all debt service payments.

Beneficial Owners may be charged a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation to any transfer or exchange of their interests in the Bonds.

The Commission cannot and does not give any assurances that DTC, Direct Participants, Indirect Participants, or others will distribute payments of debt service on the Bonds made to DTC or its nominee as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

The information in this EXHIBIT D concerning DTC and DTC's book-entry-only system has been obtained from sources that the Commission believes to be reliable, but neither the Commission nor the Underwriters take any responsibility for the accuracy thereof.

EXHIBIT E

FORM OF BOND COUNSEL OPINION FOR THE BONDS

________________, 2024

Commonwealth of Kentucky
State Property and Buildings Commission
Frankfort, Kentucky 40622

U.S. Bank Trust Company, National Association
Louisville, Kentucky

State Property and Buildings Commission of
the Commonwealth of Kentucky
$500,000,000* Revenue Bonds, Project No. 131 Series A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the State Property and Buildings Commission of the Commonwealth of Kentucky (the "Commission") of $500,000,000* aggregate principal amount of Revenue Bonds, Project No. 131 Series A (the "Bonds"). The Bonds are issuable as fully registered Bonds without coupons, dated as of their date of delivery, in denominations of $5,000 or any integral multiple thereof, bearing interest from their date of delivery, payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2025. The Bonds are subject to redemption at the option of the Commission as set forth in the Bond Resolution (as defined herein).

The Bonds are being issued by the Commission, pursuant to Chapter 56 and Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes, as supplemented and amended (the "Act"), and a resolution adopted by the Commission on August 27, 2024 (the "Bond Resolution"). The Bonds are being issued for the purposes of providing funds to (a) pay the costs of the Project, including capitalized interest, as authorized by the Budget Act described in the Bond Resolution, and (b) pay the costs of issuing the Bonds.

The Commission has covenanted in the Bond Resolution to at all times do and perform all acts and things permitted by law and necessary or desirable to assure that the interest on the Bonds shall, for purposes of federal income taxation, be excludable from the gross income of the recipient.

We have examined the laws of the Commonwealth of Kentucky, the Act, the Budget Act, a certified copy of the Bond Resolution, an executed counterpart of the Lease (as defined in the Bond Resolution), an executed counterpart of the Tax Exemption Certificate and Agreement dated the date hereof between the Commission and the Finance and Administration Cabinet of the Commonwealth of Kentucky (the "Cabinet"), certified copies of proceedings of the Commission authorizing the issuance of the Bonds, a copy of an executed bond of each Series of the Bonds and such other documents, records, certificates and opinions as we have deemed relevant and necessary in rendering this opinion.

From such examination, we are of the opinion that:

1. The Bonds have been authorized and issued in accordance with the laws of the Commonwealth of Kentucky and constitute valid and legally binding obligations of the Commission, payable as to principal and interest solely from the payments to be made by the Cabinet pursuant to the Lease, which payments are subject to biennial appropriation by the General Assembly of the Commonwealth of Kentucky.

2. The Bond Resolution has been duly adopted by the Commission, and constitutes a valid and binding obligation of the Commission, enforceable against the Commission in accordance with its terms.

3. The Lease has been duly authorized, executed and delivered by the Commission and the Cabinet, and represents a valid and binding agreement of the Commission and the Cabinet, enforceable in accordance with its terms.

4. Assuming compliance by the Commission and the Cabinet with certain covenants, existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owners thereof)

* Preliminary, subject to change.

is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

5. The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts, or other financial institutions, certain recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations are advised to consult their tax advisors as to the tax consequences of purchasing or holding the Bonds.

6. Under the existing laws of the Commonwealth of Kentucky, interest on the Bonds is excluded from the gross income of the recipients thereof for Kentucky income tax purposes and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and all political subdivisions and taxing authorities thereof.

The obligations of the Commission and the Cabinet, and the enforceability thereof, with respect to the Bonds and the other documents described above are subject, in part, to the provisions of the bankruptcy laws of the United States of America and to other applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting creditors' rights generally, now or hereafter in effect. Certain of such obligations, and enforcement thereof, are also subject to general equity principles, which may limit the specific enforcement of certain remedies but which do not affect the validity of such documents.

This opinion is based upon existing law as of the date of issuance and delivery of the Bonds and we express no opinion as of any date subsequent thereto. We express no opinion as to the title to, or the sufficiency in the Bond Resolution or otherwise of the description of, the Project, or the priority of any liens, charges or encumbrances on the Project.

Very truly yours,

EXHIBIT F

COMMONWEALTH OF KENTUCKY
STATE PROPERTY AND BUILDINGS COMMISSION
$500,000,000* REVENUE BONDS, PROJECT NO. 131 SERIES A

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Agreement") dated as of October 1, 2024, by the Kentucky State Property and Buildings Commission (the "Issuer") and acknowledged by U.S. Bank Trust Company, National Association, Louisville, Kentucky, as trustee (the "Trustee") under the Bond Resolution adopted by the Issuer on August 27, 2024 (the "Resolution"), is executed and delivered in connection with the issuance of the Issuer's $500,000,000* Revenue Bonds, Project No. 131 Series A (the "Bonds"). Capitalized terms used in this Agreement which are not otherwise defined in the Resolution shall have the respective meanings specified above or in Article IV hereof. The parties agree as follows:

ARTICLE I
THE UNDERTAKING

SECTION 1.1. Purpose. This Agreement constitutes a written undertaking of the Issuer, providing for the disclosure of certain information concerning the Bonds on an on-going basis as set forth herein for the benefit of Holders and beneficial owners of the Bonds in accordance with the provisions of the Rule.

SECTION 1.2. Annual Financial Information.

(a) The Issuer shall provide, or shall cause to be provided, Annual Financial Information with respect to each fiscal year of the Commonwealth of Kentucky (the "Commonwealth"), commencing with the fiscal year ending June 30, 2024, by no later than 9 months after the end of the respective fiscal year, but, in any event, shall provide Audited Financial Statements no later than 15 business days after the final publication date of such Audited Financial Statements, to the MSRB.

(b) The Issuer shall provide, or shall cause to be provided, in a timely manner, but in any event on a date not in excess of 10 business days after the occurrence of such failure, notice of any failure of the Issuer to provide the Annual Financial Information by the date specified in subsections (a) and (b) above to the MSRB.

SECTION 1.3. Audited Financial Statements. If not provided as part of Annual Financial Information by the date required by Section 1.2(a) hereof, the Issuer shall provide Audited Financial Statements, when and if available, to the MSRB.

SECTION 1.4. Notices of Material Events. If a Material Event occurs, the Issuer shall provide, or cause to be provided, in a timely manner not in excess of 10 business days after the occurrence of the Material Event, a Material Event Notice to the MSRB.

SECTION 1.5. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

ARTICLE II
OPERATING RULES

SECTION 2.1. References to Other Documents. It shall be sufficient for purposes of Section 1.2 hereof if the Issuer provides Annual Financial Information by specific reference to documents previously either (i) provided to the MSRB or (ii) filed with the SEC. If such a document is the Official Statement, it also must be available from the MSRB.

SECTION 2.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

SECTION 2.3. Material Event Notices. Each Material Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Bonds.

SECTION 2.4. Manner of Transmission of Information and Notices.

(a) Information required to be provided to the MSRB shall be transmitted to the MSRB, in an electronic format as prescribed by the MSRB, and accompanied by identifying information as prescribed by the MSRB. A description of such format and information as presently prescribed by the MSRB is included in Attachment A hereto.

(b) Except as required by subsection (a) above or unless otherwise required by law, the Issuer shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of the Issuer's information and notices, subject to technical and economic feasibility in the Issuer's sole determination.

SECTION 2.5. Fiscal Year. Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The current fiscal year of the Commonwealth is July 1 to June 30, inclusive, and the Issuer shall promptly notify in writing the MSRB of each change in the fiscal year of the Commonwealth and the State Agencies.

SECTION 2.6. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a Dissemination Agent. The Dissemination Agent shall not be responsible, in any manner, for the content of any notice or report prepared by the Issuer pursuant to the terms of this Agreement.

ARTICLE III
TERMINATION, AMENDMENT, AND ENFORCEMENT

SECTION 3.1. Termination.

(a) The Issuer's obligations under this Agreement shall terminate upon a legal defeasance pursuant to Section 10.03 of the Resolution, prior redemption, or payment in full of all of the Bonds.

(b) This Agreement, or any provision hereof, shall be null and void in the event that the Issuer (i) delivers to the Trustee and the MSRB an opinion of nationally recognized bond counsel or other counsel expert in federal securities laws selected by the Issuer, addressed to the Issuer and Trustee, to the effect that those portions of the Rule which require the provisions of this Agreement, or any of such provisions, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion.

SECTION 3.2. Amendment.

(a) This Agreement may be amended, by written agreement of the parties, without the consent of the Holders of the Bonds, (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied; (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature, or status of the Issuer or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have delivered to the Trustee an opinion of nationally recognized bond counsel or other counsel expert in federal securities laws selected by the Issuer, addressed to the Issuer and the Trustee, to the same effect as set forth in clause (2) above, and (4) either (i) the Issuer shall have delivered to the Trustee an opinion of nationally recognized bond counsel or counsel expert in federal securities laws selected by the Issuer, addressed to the Issuer and the Trustee, to the effect that the amendment does not materially impair the interests of the beneficial owners of the Bonds, or (ii) the Holders of 100% of the principal amount of the Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Resolution with the consent of the Holders of the Bonds pursuant to Section 10.02 of the Resolution as in effect on the date of this Agreement, and (5) the Issuer shall have delivered copies of such opinion and amendment to the MSRB. The Trustee shall not be required to sign any amendment to this Agreement which adversely affects its rights or duties hereunder.

(b) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(c) If an amendment is made to the basis on which financial statements are prepared, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

SECTION 3.3. Benefit; Third-Party Beneficiaries; Enforcement.

(a) The provisions of this Agreement shall inure solely to the benefit of the Holders from time to time of the Bonds, except that beneficial owners of Bonds shall be third-party beneficiaries of this Agreement.

(b) Except as provided in this subsection (b), the provisions of this Agreement shall create no rights in any person or entity. The obligations of the Issuer to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any Holder of Outstanding Bonds, or by the Trustee on behalf of the Holders of Outstanding Bonds, or (ii), in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the Holders of Outstanding Bonds, provided, however, that the Trustee shall not be required to take any enforcement action under this subsection (b) except at the written direction of the Holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity reasonably satisfactory to it. The Holders' and Trustee's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be Holders of Bonds for purposes of this subsection (b) unless and until the respective Holder exercises any rights pursuant to this subsection (b).

(c) Any failure by the Issuer to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Resolution, and the rights and remedies provided by the Resolution upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the Commonwealth.

ARTICLE IV
DEFINITIONS

SECTION 4.1. Definitions. The following terms used in this Agreement shall have the following respective meanings:

"Annual Financial Information" means the financial information or operating data with respect to the Commonwealth, for each fiscal year of the Commonwealth, as set forth in the documents entitled Annual Comprehensive Financial Report and Supplementary Information to the Annual Comprehensive Financial Report (or successor reports).

"Audited Financial Statements" means the annual financial statements, if any, of the Commonwealth, audited by such auditor as shall then be required or permitted by state law. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that the Commonwealth may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall be provided to the MSRB, and shall include a reference to the specific federal or state law or regulation describing such accounting basis.

"Dissemination Agent" means any entity designated by the Issuer to act as the Dissemination Agent hereunder.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b). However, "financial obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"GAAP" means generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board.

"Material Event" means any of the following events with respect to the Bonds, whether relating to the Issuer or otherwise:

(i) principal and interest payment delinquencies;
(ii) non-payment related defaults, if material;
(iii) unscheduled draws on debt service reserves reflecting financial difficulties;
(iv) unscheduled draws on credit enhancements reflecting financial difficulties;
(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the securities, or other material events affecting the tax-exempt status of the securities;

(vii) modifications to rights of security holders, if material;

(viii) bond calls (except in the case of a mandatory, scheduled redemption, not otherwise contingent upon the occurrence of an event if the terms under which the redemption is to occur are set forth in detail in an official statement and the only open issue is which Bonds will be redeemed in the case of a partial redemption, provided notice of the redemption is given to the Holders and the public; see Exchange Act Release No. 23856, Dec. 3, 1986) and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the obligated person (Note: For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);

(xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a financial obligation of the Commonwealth or an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Commonwealth or an obligated person, any of which affect security Holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Commonwealth or an obligated person, any of which reflect financial difficulties.

As used herein, an event is "material" if it would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of the occurrence of the event.

With respect to (xv) and (xvi) above, the Rule defines "financial obligation" as a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b). However, "financial obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Holders" shall mean any holder of the Bonds and any beneficial owner thereof.

"Material Event Notice" means written or electronic notice of a Material Event.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended. The MSRB, as of the date of this Agreement, is the sole nationally recognized municipal securities information repository.

"Official Statement" means the "final official statement," as defined in paragraph (f)(3) of the Rule, relating to the Bonds.

"Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CRF Part 240, § 240.15c2-12), as in effect on the date of this Agreement, including any official interpretations thereof.

"SEC" means the United States Securities and Exchange Commission.

"Unaudited Financial Statements" means the same as Audited Financial Statements, except that they shall not have been audited.

ARTICLE V
MISCELLANEOUS

SECTION 5.1. Duties, Immunities, and Liabilities of Trustee. Article IX of the Resolution is hereby made applicable to this Agreement as if this Agreement were (solely for this purpose) contained in the Resolution.

SECTION 5.2. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(Signature page to follow)

IN WITNESS WHEREOF, the Commission has caused this Agreement to be executed by its duly authorized officer, and the Trustee has caused this Agreement to be acknowledged by its duly authorized representative, all as of the date first above written.

COMMONWEALTH OF KENTUCKY STATE
PROPERTY AND BUILDINGS COMMISSION

By: ____
Title: ______________________________________

Acknowledged by:

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: ____
Title: ______________________________________

ATTACHMENT A

MSRB PROCEDURES FOR SUBMISSION OF CONTINUING DISCLOSURE DOCUMENTS AND RELATED INFORMATION

Securities and Exchange Commission Release No. 34-59061 (the "Release") approves an MSRB rule change establishing a continuing disclosure service of the MSRB's Electronic Municipal Market Access system ("EMMA"). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 ("Rule 15c2-12") under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information are to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements, or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter.

Submissions to the MSRB are to be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed, and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB's continuing disclosure service are to be made through password protected accounts on EMMA by (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligated persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA online account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB's Internet-based electronic submitter interface (EMMA Dataport) is at www.emma.msrb.org.

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KENTUCKY STATE PROPERTY
AND BUILDINGS COMMISSION