FOR IMMEDIATE RELEASE

NOTICE RELATING TO

Tarrant Country Cultural Education Facilities Finance Corporation Hospital Revenue Bonds
(Scott & White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project)
Series 2008-1

Tarrant Country Cultural Education Facilities Finance Corporation Hospital Revenue Bonds
(Scott & White Healthcare Project)
Series 2010

Tarrant Country Cultural Education Facilities Finance Corporation Hospital Revenue Bonds
(Scott & White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project)
Series 2008A

CUSIP Numbers: 87638QAJ8, 87638QAK587638QAU3, 87638QAV1, 87638QAW9, 87638QAX7, 87638QAY5, 87638QAZ2, 87638QBA6, 87638QBB4, 87638QBC2, 87638QBD0, 87638QDR7, 87638QDS5, 87638QET2, 87638QDT3, 87638QDU0, 87638QDV8, 87638QDW6, 87638QEJ4, 87638QDZ9, 87638QEM7, 87638QEA3, 87638QEN5, 87638QEB1, 87638QEP0, 87638QEC9, 87638QEQQ8, 87638QED7, 87638QEKK1, 87638QEE5, 87638QEL9, 87638QER6, 87638QEF2, 87638QEG0, 87638QES4, 87638QGFO, 87638QGGH, 87638QGX6, 87638QJG2, 87638QGK9, 87638QGL7, 87638QGM5, 87638QGN3, 87638QGQ6, 87638QGQP8, 87638QGR4

Effective October 1, 2013, Scott & White Healthcare, a Texas nonprofit corporation (“S&W”), and Baylor Health Care System, a Texas nonprofit corporation (“BHCS”), have consummated their affiliation (the “Affiliation”) pursuant to an Affiliation Agreement (the “Agreement”) dated June 19, 2013. The Affiliation was accomplished through the creation of a new Texas limited liability company, Baylor Scott & White Health LLC (“Baylor Scott & White Health”). S&W and BHCS are equal members in Baylor Scott & White Health, which has control and substantial reserved powers over all S&W and BHCS material affiliates.

Baylor Scott and White Health’s board will be comprised initially of 16 individuals drawn equally from current directors of S&W and BHCS and thereafter will be self-appointing, the chair of Baylor Scott & White Health’s board initially will be the current chair of the S&W board (to be succeeded in two years by the current chair of the BHCS board), and the current CEO of BHCS will be CEO (and the current CEO of S&W will be President and COO) of Baylor Scott & White Health.

In addition, a newly created Texas limited liability company named Baylor Scott & White Health Service LLC (“BSW Health Service”) will provide, on a centralized basis, management and administrative support services to the entire combined healthcare delivery system, including operational, finance, accounting, legal, human resources, risk management, quality, and information services. The CEO of
Baylor Scott & White Health will also serve as CEO of BSW Health Service. The board of BSW Health Service will be appointed and may be removed by Baylor Scott & White Health, its sole member.

Baylor Scott & White Health and BSW Health Service will be merged into two nonprofit corporations promptly upon receipt by such corporations of favorable determination letters from the Internal Revenue Service regarding their tax exempt and public charity status. Upon such merger, Baylor Scott & White Health will be the sole corporate member of S&W and BHCS.

The Baylor Scott & White Health system is a nonprofit health care system with total assets of approximately $8.3 billion and the vision and resources to offer its patients continued exceptional care while creating a model system for a dramatically changing health care environment. The new system includes 43 hospitals, more than 500 patient care sites, more than 6,000 affiliated physicians, 34,000 employees and the Scott & White Health Plan. For more information visit www.BaylorScottandWhite.com.

S&W and BHCS currently have separate credit groups obligated to repay their respective debt, including, in the case of S&W, the above bonds. The parties will seek the most effective credit group strategy to support their missions and strategies, with the objectives of improving access to and the cost of capital, obtaining the most advantageous master indenture terms and the highest possible credit ratings, and taking into account the costs, benefits, and timing of forming a single obligated credit group, if implemented. The parties’ current intention is to form a single obligated credit group to become jointly and severally liable for their debt, subject to authorization by the Baylor Scott & White Health board, compliance with master indenture provisions, market conditions, and third-party approvals, among other conditions.

There can be no assurance that that Baylor Scott & White Health will be able to realize its intent to form a single obligated credit group. Unless and until a single obligated credit group is established, neither Baylor Scott & White Health nor BSW Health Service nor BHCS nor its current affiliates will be obligated on S&W’s debt or the above bonds, nor will S&W or its existing affiliates be obligated on BHCS debt.

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**SCOTT & WHITE HEALTHCARE**

October 1, 2013