

Vinson&Elkins

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July 24, 2008

Honorable Don A. Gattis
County Judge
Williamson County, Texas
710 Main Street, Suite 101
Georgetown, Texas 78626

Re: Request for Approval of Hospital Revenue Bonds for the Benefit of Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation

Dear Judge Gattis:

This letter is to request your approval of the issuance of hospital revenue bonds to be issued for the benefit of Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation (the "Hospital") in connection with the refinancing of a portion of the health care facilities located in Georgetown, Cedar Park and Round Rock in Williamson County. Your approval of the issuance of the bonds is required by Section 147(f) of the Internal Revenue Code of 1986 in order for the interest on the bonds to be exempt from federal income taxation. Your approval in no way creates an obligation or liability for Williamson County.

The requested approval is identical to the request you approved in June 2008 with respect to the Hospital refinancing of its auction rate securities.

In 2000 and 2001, respectively, Bell County Health Facilities Development Corporation issued its Hospital Revenue Bonds (Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project), Series 2000B and Series 2001 (collectively, the "Prior Bonds") to finance health care facilities for the Hospital, including portions of the facilities located in Georgetown, Cedar Park and Round Rock.

The Prior Bonds were issued as variable rate bonds and are insured by MBIA Insurance Corporation ("MBIA"). Due to the downgrading of MBIA by the various rating agencies and the volatility in the variable rate municipal bond market, the Hospital is seeking to refinance the Prior Bonds in order to reduce and stabilize its interest costs related to the

Prior Bonds. Tarrant County Cultural Education Facilities Finance Corporation (the "Tarrant County Issuer") has agreed to issue its Hospital Revenue Bonds (Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project), Series 2008-4 and to loan the proceeds thereof to the Hospital to refund the Prior Bonds.

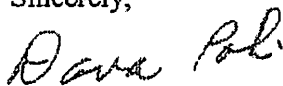
In order for the interest on the Series 2008-4 Bonds to be exempt from federal income tax, Section 147(f) of the Internal Revenue Code requires that the Bonds and the facilities refinanced by such Bonds be approved by the highest elected representative of the county in which any portion of the health care facilities is located. Such approval must be given after publication of notice and the holding of a public hearing regarding the issuance of the bonds and the facilities to be refinanced. A notice of public hearing was published in the Austin American-Statesman on July 21, 2008, and the public hearing is scheduled to be held Tuesday, August 5, 2008. A copy of the Affidavit of Publication is enclosed as an attachment to the Minutes and Certification of Public Hearing. Executed Minutes will be forwarded to you following the hearing on August 5, 2008.

On behalf of the Hospital, we are requesting your approval of the issuance of the Series 2008 Bonds and the refinancing of the facilities solely for the purpose of complying with the public approval requirements of Section 147(f) of the Internal Revenue Code. Enclosed for your signature is the Approval of Applicable Elected Representative of Williamson County (the "Approval") to be executed on or after Tuesday, August 5, 2008, upon your receipt of the executed Minutes and Certification of the Public Hearing.

While it is not required by the Internal Revenue Code that the Commissioners Court take official action to authorize your execution of the Approval, if such official action is desired, enclosed is a resolution the Court may consider for such purpose. Because the Series 2008-4 Bonds are to be funded in August, we request that the resolution be included in the Court's August 5th agenda. We respectfully request your execution of the Approval be returned to us not later than Friday, August 8, 2008.

Your assistance in the approval of the issuance of the Bonds is most appreciated by our client, Scott and White Memorial Hospital. Please do not hesitate to contact us if there should be any question concerning this approval process. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Dava Poli".

Dava Poli
Paralegal

Enclosures

**APPROVAL OF APPLICABLE ELECTED REPRESENTATIVE
OF WILLIAMSON COUNTY, TEXAS**

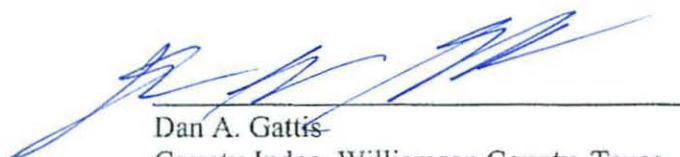
I, Dan A. Gattis, County Judge of Williamson County, Texas (the "County"), certify with respect to the Tarrant County Cultural Education Facilities Finance Corporation Hospital Revenue Bonds (Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project) Series 2008-4 (the "Bonds"), that:

Based upon the evidence presented to me, for the sole purpose of satisfying the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and for no other purpose, I hereby approve the Bonds and the facilities to be refinanced with a portion of the proceeds of the Bonds and located within the County, all as described in the published Notice of Public Hearing included as Annex A in the Minutes of Public Hearing attached hereto as Attachment 1.

This approval is not to be construed as (i) a representation or warranty by the County or the undersigned that the Bonds will be paid or that any obligations assumed by any of the parties will, in fact, be performed, or (ii) as a pledge of the faith and credit of or by the County. Further, the fact that the undersigned has approved the Bonds as required by the Code may not, in any event, be used as a sales device with respect to the Bonds.

IN TESTIMONY WHEREOF, I have hereunto signed my name officially hereon on the date shown below.

DATED: August 5, 2008.



Dan A. Gattis
County Judge, Williamson County, Texas

**Minutes and Certification of Public Hearing
August 5, 2008**

Pertaining to

**Tarrant County Cultural Education Facilities Finance Corporation
Hospital Revenue Bonds
(Scott and White Memorial Hospital and Scott, Sherwood
and Brindley Foundation Project)
Series 2008A¹**

Call to Order

Hearing Officer Frank Anderson opened the Public Hearing relating to the issuance of the captioned bonds (the "Series 2008A Bonds"), on the date, at the time and at the location specified in the Notice of Public Hearing published in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), a copy of the form of such notice being attached hereto and Affidavit of Publication from the Austin American Statesman being attached hereto as Annex A.

Attendees

Hearing Officer Frank Anderson.

Public Hearing Closed

No one other than the Hearing Officer being present at the Public Hearing, the Hearing Officer closed the Public Hearing.

Certification

The undersigned hereby certifies that the above and foregoing is a true and correct statement of the Minutes of the Public Hearing described therein.



Frank Anderson, Hearing Officer

¹ Series Designation of Bonds was changed from "2008-4" to "2008A" after notice was published.

Annex A

NOTICE OF PUBLIC HEARING

**TARRANT COUNTY CULTURAL EDUCATION FACILITIES FINANCE CORPORATION
HOSPITAL REVENUE BONDS
(SCOTT AND WHITE MEMORIAL HOSPITAL AND SCOTT, SHERWOOD
AND BRINDLEY FOUNDATION PROJECT)
SERIES 2008-4**

NOTICE IS HEREBY GIVEN of a public hearing to be held by the Tarrant County Cultural Education Facilities Finance Corporation (the "Issuer") on behalf of Tarrant County, Bell County, Williamson County, Brazos County, Coryell County and McLennan County, Texas on August 5, 2008, at 11:00 a.m., at the offices of Scott and White Memorial Hospital, 2401 South 31st Street, Temple, Texas 76508, in the Foundation Board Room located on the first floor of the main Hospital Building, with respect to one or more issues, in one or more series, of hospital revenue bonds (the "Series 2008-4 Bonds") to be issued by the Issuer in an aggregate principal amount of not more than \$190,000,000. The public hearing is a "combined hearing" within the meaning of Treasury Regulations Section 5f.103-2(d) and the location of the public hearing is within 100 miles of the seat of government of each participating governmental unit beyond whose geographic jurisdiction the hearing is conducted. Proceeds of the Series 2008-4 Bonds will be loaned to Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation (the "Hospital") to provide funds to (i) refund all of the Bell County Health Facilities Development Corporation's (the "Bell County Issuer") Hospital Revenue Bonds (Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project), Series 2000 (the "Series 2000 Bonds"), and all of the Bell County Issuer's Hospital Revenue Bonds (Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project), Series 2001 (the "Series 2001 Bonds"), and (ii) pay the costs of issuing the Series 2008-4 Bonds.

Proceeds of the Series 2000 Bonds were used to (i) finance the construction, renovation and equipping of, and certain capital improvements to, health facilities located at 2401 South 31st Street, Temple, Texas 76508; 7700 Fishpond Road, Waco, Texas 76710; 1600 University Drive, College Station, Texas 77840; 2327 South 57th Street, Temple, Texas 76502; 5300 FM 2338, Georgetown, Texas 78626; 1110 State Highway 6 South, College Station, Texas 77840; 227 Memorial Drive, Gatesville, Texas 76528; 900 Quest Parkway, Cedar Park, Texas 78613; 3801 Scott and White Drive, Killeen, Texas 76541; and 409 W. Adams Avenue, Temple, Texas 76501, and (ii) pay the costs of issuing the Series 2000 Bonds. Proceeds of the Series 2001 Bonds were used to (i) finance the financing of the construction, renovation and equipping of, and certain capital improvements to, health facilities located at 2401 South 31st Street, Temple, Texas 76508 and (ii) pay the costs of issuing the Series 2001 Bonds. The health facilities described above are collectively referred to as the "Project."

The initial and exclusive owner, operator and manager of the Project will be the Hospital or an affiliate tax-exempt corporation. All interested persons are invited to attend such public hearing to express their views with respect to the proposed refunding and the issuance of the Series 2008-4 Bonds. Questions or requests for additional information may be directed to Mr.

Frank Anderson, Foundation Offices at 2401 South 31st Street, Temple, Texas 76508 (Phone: 254-724-4386).

Persons who intend to appear at the hearing and express their views are invited to contact Mr. Anderson either in writing or by telephone in advance of the hearing. Any interested persons unable to attend the hearing may submit their views in writing to Mr. Anderson prior to the date scheduled for the hearing. The Issuer will reschedule the location and time of the hearing or schedule an additional hearing if requested to do so in written requests submitted to Mr. Anderson prior to the aforementioned date of the hearing by a significant number of interested persons.

This notice is published and the above-described hearing is to be held in satisfaction of the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, regarding the public approval prerequisite to the exemption from federal income taxation of the interest on the Series 2008-4 Bonds.

Affidavit of Publication

(See attached)

Austin American-Statesman

PO#:

Ad ID#: 3551218

Acct#: 2142207861

Account Name: VINSON & ELKINS, LLP

VINSON & ELKINS, LLP
2001 ROSS AVE
SUITE 3700
DALLAS, TX 75201
Alt. Del. Reg.

AFFIDAVIT OF PUBLICATION

THE STATE OF TEXAS
COUNTY OF TRAVIS

Before me, the undersigned authority, a Notary Public in and for the County of Travis,
State of Texas, on this day personally appeared:

[Signature]

Classified Advertising Agent of the Austin American-Statesman, a daily newspaper published in said County and State that is generally circulated in Bastrop, Bell, Blanco, Brazos, Burleson, Burnet, Caldwell, Colorado, Comal, Coryell, Fayette, Gillespie, Gonzales, Guadalupe, Hays, Kerr, Lampasas, Lee, Llano, Milam, Nueces, San Saba, Travis, Washington, and Williamson Counties, who being duly sworn by me, states that the attached advertisement was published at the lowest published rate for Classified advertising in said newspaper on the following date(s), to wit:

First Published: 7/21/2008

Last Published: 7/21/2008

Times Published: 1

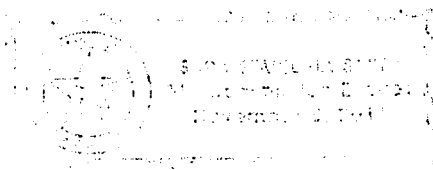
Classification: Legal Notices (9980)

Lines: 155

Cost: \$692.85

and that the attached is a true copy of said advertisement.

SWORN AND SUBSCRIBED TO BEFORE ME, this the 21 day of July, 2008.



[Signature]
Notary Public in and for
TRAVIS COUNTY, TEXAS

Austin American-Statesman
305 South Congress Ave., P.O. Box 670, Austin, Texas 78767-0670 512-443-3832

Monday, July 21, 2008 9:25 AM

NOTICE OF PUBLIC HEARING
TARRANT COUNTY CULTURAL
EDUCATION FACILITIES
FINANCE CORPORATION
HOSPITAL REVENUE BONDS
SCOTT AND WHITE MEMORIAL
HOSPITAL AND SCOTT
SHERWOOD AND BRINDLEY
FOUNDATION PROJECT
SERIES 2008-4

NOTICE IS HEREBY GIVEN: of a public hearing to be held by the Tarrant County Cultural Education Facilities Finance Corporation (the "Issuer") on behalf of Tarrant County, Bell County, Williamson County, Brazos County, Concho County and McLennan County, Texas on August 5, 2008, at 11:00 a.m. at the offices of Scott and White Memorial Hospital, 2401 South 31st Street, Temple, Texas 76708, in the Foundation Board Room located on the first floor of the main hospital building, with respect to one or more issues, in one or more series, of hospital revenue bonds (the "Series 2008-4 Bonds") to be issued by the Issuer in an aggregate principal amount of not more than \$140,000,000. The public hearing is a "combined hearing" within the meaning of Treasury Regulations Section 9103-2(c) and the location of the public hearing is within 100 miles of the seat of government of each participating governmental unit beyond whose geographic jurisdiction the hearing is conducted. Proceeds of the Series 2008-4 Bonds will be loaned to Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation (the "Hospital") to provide funds to: (i) refund all of the Bell County Health Facilities Development Corporation's (the "Bell County Issuer") Hospital Revenue Bonds (Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project, Series 2000 (the "Series 2000 Bonds")), and all of the Bell County Issuer's Hospital Revenue Bonds (Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project, Series 2001 (the "Series 2001 Bonds")), and (ii) pay the costs of issuing the Series 2008-4 Bonds.

proceeds of the Series 2000 Bonds were used to (i) finance the construction, renovation and equipping of, and certain capital improvements to, health facilities located at 2401 South 31st Street, Temple, Texas 76708, 7700 Fishpond Road, Waco, Texas 76710, 1600 University Drive, College Station, Texas 77840, 2127 South 27th Street, Temple, Texas 76702, 5300 FM 2138, Georgetown, Texas 78626, 1110 State Highway 6 South, College Station, Texas 77840, 227 Memorial Drive, Ganeyville, Texas 76518, 900 Quesset Parkway, Cedar Park, Texas 78613, 3501 Scott and White Drive, Kilgus, Texas 76551, and 409 W. Atlanta Avenue, Temple, Texas 76701, and (ii) pay the costs of issuing the Series 2000 Bonds. Proceeds of the Series 2001 Bonds were used to finance the financing of the construction, renovation and equipping of, and certain capital improvements to, health facilities located at 2401 South 31st Street, Temple, Texas 76708 and (ii) pay the costs of issuing the Series 2001 Bonds. The health facilities described above are collectively referred to as the Project.

The fiscal and executive officer, operator and manager of the Project will be the Hospital or an affiliate, i.e., a exempt corporation. All interested persons are invited to attend such public hearing to express their views with respect to the proposed refunding and the issuance of the Series 2008-4 Bonds. Questions or requests for additional information may be directed to Mr. Frank Anderson, Finance Officer at 2401 South 31st Street, Temple, Texas 76708 or phone 254-724-1334.

Persons who intend to appear at the hearing and express their views are invited to contact Mr. Anderson either in writing or by telephone in advance of the hearing. Any interested persons unable to attend the hearing may submit their views in writing to Mr. Anderson prior to the date scheduled for the hearing. The Issuer will consider the location and time of the hearing or schedule an additional hearing as requested to do so in written requests submitted to Mr. Anderson prior to the aforementioned date of the hearing by registered mail or certified mail.

This notice, published and the above described hearing is to be held in satisfaction of the requirements of Section 147 of the Internal Revenue Code of 1954, as amended, regarding the public approval of municipal bonds exempt from federal income taxation of the interest on the Series 2008-4 Bonds.

RESOLUTION OF COMMISSIONERS COURT OF
WILLIAMSON COUNTY, TEXAS, AUTHORIZING THE
COUNTY JUDGE TO APPROVE THE ISSUANCE OF
HOSPITAL REVENUE BONDS ISSUED FOR THE BENEFIT
OF SCOTT AND WHITE MEMORIAL HOSPITAL AND
SCOTT, SHERWOOD AND BRINDLEY FOUNDATION

WHEREAS, Tarrant County Cultural Education Facilities Finance Corporation (the "Tarrant County Issuer") is proposing to issue one or more series of its Hospital Revenue Bonds (Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project) Series 2008 (the "Bonds"), pursuant to the Cultural Education Facilities Finance Corporation Act, Article 1528m, Texas Revised Civil Statutes, as amended from time to time (the "Enabling Act"), to provide funds to finance or refinance all or part of the cost of "health facilities" (as defined in the Health Facilities Development Act, Chapter 221, Texas Health and Safety Code, as amended from time to time (the "Health Act")); and

WHEREAS, the proceeds of the Bonds will be loaned by the Tarrant County Issuer to Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation (the "Hospital"), a Texas nonprofit corporation, for the purpose of refunding bonds issued by Bell County Health Facilities Development Corporation (the "Bell County Issuer") and designated as its Hospital Revenue Bonds (Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Project), Series 2000B and Series 2001 (collectively, the "Prior Bonds"), issued to finance or refinance the cost of "health facilities" (the "Project") as variable rate bonds insured by MBIA Insurance Corporation; and

WHEREAS, a portion of the proceeds of the Bonds will be used in connection with refinancing certain facilities located or to be located in Williamson County (the "County"), particularly to refinance certain facilities at the Georgetown Clinic and the Cedar Park Clinic, and to refinance the acquisition, construction and equipping of a 196,000 sq. ft., 4-story, 72 bed full service acute care hospital located at 300 University Drive in Round Rock (collectively, the "Williamson County Health Facilities"), as described in a notice of public hearing published in, among other newspapers, the *Austin American Statesman*, a newspaper of general circulation within Williamson County, Texas; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") requires that the Bonds and the Project be approved by the "applicable elected representative" (as defined in the Code) of the jurisdiction in which any portion of the Project is located after a public hearing following reasonable public notice; and

WHEREAS, the County Judge of Williamson County has been requested to approve, as the "applicable elected representative" of the County, the issuance of the Bonds and the Project in accordance with the requirements of the Code, and has been or will be furnished with an affidavit of publication and minutes of public hearing in connection therewith; and

WHEREAS, the Commissioners Court of the County desires to authorize the County Judge to approve the issuance of the Bonds and the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF WILLIAMSON COUNTY, TEXAS, THAT:

Section 1. The County Judge of Williamson County, Texas, is hereby authorized to approve the issuance of the Bonds and the Project and to execute and deliver such approval as requested.

Section 2. The authorization to approve the Bonds and the Project is made solely for the purposes of complying with the requirements of Section 147(f) of the Code and shall not be construed as (i) a representation or warranty by the County Judge, the County or the Commissioners Court that the Bonds will be paid or that any obligations assumed by any of the parties will, in fact, be performed, or (ii) as a pledge of the faith and credit of or by the County. Further, the fact that the Commissioners Court has authorized the approval of the Bonds and the Project, as herein stated, may not, in any event, be used as a sales device with respect to the Bonds.

Section 3. This Resolution shall be effective upon its adoption.

APPROVED AND ADOPTED THIS AUGUST 5, 2008.



County Judge, Williamson County, Texas

Signature Page for Resolution