

**MATERIAL EVENT NOTICE**

Related to

**HARRIS COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION  
HOSPITAL REVENUE BONDS  
(BAYLOR COLLEGE OF MEDICINE)**

**Series 2007A-1 due November 15, 2047, CUSIP No.: 414152 SH2**

**Series 2007A-2 due November 15, 2047, CUSIP No.: 414152 SJ8**

On October 26, 2009, the financial guaranty insurance policy issued by Ambac Assurance Corporation to insure payment of the above-captioned bonds will be cancelled, released, and returned to Ambac in accordance with the terms of the trust indenture securing the Bonds. From that date, payment of the Bonds of each series will be supported solely by a direct-pay letter of credit issued by the following bank:

**Series 2007A-1**

Wachovia Bank, National Association

**Series 2007A-2**

Bank of America, N.A.

The information in this Material Event Notice is provided solely to comply with our commitment to provide the information specified therein. This Material Event Notice is not made in connection with a purchase or sale of the bonds and accordingly is not intended to contain all information material to a decision to purchase or sell the bonds.

For further information please contact Mr. Jim Friou, Director of Treasury Services, Baylor College of Medicine, One Baylor Plaza, T-100 MS: 203, Houston, TX 77030-3411, by phone (713)798-4375 or Mr. Michael Lee, Assistant Treasurer, Baylor College of Medicine, One Baylor Plaza, T-100 MS: 203, Houston, TX 77030-3411 by phone (713) 798-5627.

The date of this Notice is October 16, 2009.

**BAYLOR COLLEGE OF MEDICINE**