

NOTICE OF A MATERIAL EVENT
 BY
 STANLY HEALTH SERVICES, INC.
 STANLY REGIONAL MEDICAL CENTER, INC.
 STANLY MANOR, INC. AND
 STANLY, INC.
 (COLLECTIVELY, THE “CORPORATION”)
 REGARDING CHANGE IN RATING

Relating to:

\$15,000,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Stanly Memorial Hospital Project) Series 1999	
CUSIP Number ¹ : 657902WA6 657902WB4 657902WC2 657902WD0 657902WE8 657902WF5 657902WG3 657902WH1 657902WJ7	

This Material Event Notice is being filed pursuant to the continuing disclosure provisions of Section 5.12 of the Loan Agreement, dated as of October 15, 1999, between the North Carolina Medical Care Commission and the Corporation and relates to the above referenced bonds. Effective March 28, 2014, notice is hereby given that Standard and Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“S&P”) has raised its long-term rating to “A+” from “BBB+” on the above referenced bonds to reflect a change of control agreement entered into with the Charlotte-Mecklenburg Hospital Authority, which directly and through its affiliates does business as Carolinas HealthCare System (the “Authority”).

Any desired explanation of the significance of such rating should be obtained from S&P.

Any questions regarding the information contained in this Material Event Notice should be directed as follows:

¹ CUSIP numbers are provided for convenience of reference only. No representation is made as to the correctness of the CUSIP number either as printed on the securities or as contained herein, and reliance may be made only on other bond identification contained herein.

To the Corporation: Nick Samilo, Chief Financial Officer, Stanly Health Services, Inc, 301 Yadkin Street, Albemarle, North Carolina 28002, (704) 984-4393.

To the Authority: R. Mark Keener, Vice President, Treasurer, Carolinas HealthCare System, 1000 Blyth Blvd., Charlotte, North Carolina 28203, (704) 446-6120.

The date of this notice is April 1, 2014.