

June 12, 2017

**BY EMAIL AND FEDEX**

The Honorable County Judge  
and County Commissioners  
of Fort Bend County  
401 Jackson Street  
Richmond, Texas 77469

Attention: Office of the Commissioners  
Agenda Coordinator

Norton Rose Fulbright US LLP  
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**Re: Approval of Bonds for CHI St. Luke's Health System**

Gentlemen:

On behalf of our client, CHI St. Luke's Health System Corporation, we respectfully request that the Commissioners Court consider readopting the enclosed resolution (the "*2017 Resolution*") to permit the issuance of tax-exempt limited obligation revenue bonds to finance and refinance the acquisition, construction, renovation, and equipping of certain facilities described in the enclosed notice of public hearing and located in Fort Bend County, Texas. The Commissioners Court passed a similar resolution on June 28, 2016 (the "*2016 Resolution*"). However, because the bonds will not be used within a year after passage and facilities may be financed at an additional location, renewal of the Commissioners Court's prior approval by passage of the 2017 Resolution is a condition to tax-exempt financing of the facilities.

We enclose (a) six (6) copies of the proposed 2017 Resolution, (b) a notice of a public hearing on the bonds and the facilities, which was published in the *Houston Chronicle* on June 2, 2017, and describes the facilities now to be financed and refinanced by the bonds, (c) a blacklined comparison of the notice of public hearing to a 2016 notice of public hearing that described the facilities previously approved by the Commissioners Court, and (d) a certificate reporting that no one appeared at the public hearing described in the updated notice to oppose the bonds or facilities.

We would suggest that this matter appear separately on the agenda for the Commissioners Court meeting as follows:

**RESOLUTION APPROVING THE ISSUANCE OF BONDS TO FINANCE AND REFINANCE CERTAIN PROJECTS FOR CHI ST. LUKE'S HEALTH SYSTEM**

CHI St. Luke's Health System is part of the much larger Catholic Health Initiatives (CHI) health system and therefore able to enjoy economics of scale, including in its financings. The bonds would be issued by the Colorado Health Facilities Authority as part of a larger financing of other CHI facilities in other states. As we have previously reported, section 147(f) of the Internal Revenue Code of 1986, as amended, provides that bonds to finance facilities in Fort Bend County must be approved by the Commissioners Court, the County Judge, or another governmental unit or official with jurisdiction, after a public hearing held on public notice, in order

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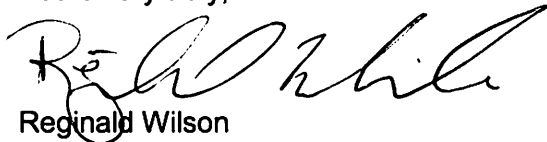
The Honorable County Judge and County  
Commissioners of Fort Bend County  
June 12, 2017  
Page 2

for interest on the bonds to be exempt from federal income taxes. As noted by the enclosed certificate, a public hearing for this purpose will be held next week. We therefore request that the Commissioners Court adopt the enclosed resolution to enable an efficient financing and refinancing of facilities for CHI St. Luke's Health System and its affiliates, including CHI St. Luke's Health Baylor College of Medicine Medical Center.

Also enclosed with the copy of this letter are six (6) copies of a Certificate of County Clerk relating to the resolution. We request that the County Clerk return five (5) fully executed Certificates after adoption of the enclosed resolution.

Please do not hesitate to contact me at (713) 651-5608 if you should need any additional information or have any questions which you would like answered before acting on this request.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Reginald Wilson', is written over the typed name. The signature is fluid and cursive, with a large 'R' and 'W'.

Reginald Wilson

Enclosures

cc: Ms. Jessica Zaiger

## CERTIFICATE

We, the undersigned officers of Fort Bend County, Texas (the "*County*"), hereby certify as follows:

The Commissioners Court (the "*Court*") of the County convened in regular session, open to the public, on June 27, 2017 (the "*Meeting*"), at the Commissioners Court Room, 301 Jackson St., 7<sup>th</sup> Floor, Richmond, Texas, and the roll was called of the members of the Court, to-wit:

Robert E. Hebert, County Judge  
Vincent Morales, Commissioner, Precinct 1  
Grady Prestage, Commissioner, Precinct 2  
Andy Meyers, Commissioner, Precinct 3  
James Patterson, Commissioner, Precinct 4

All members of the Court were present, except the following: \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting: A written

### **RESOLUTION APPROVING THE ISSUANCE OF BONDS TO FINANCE AND REFINANCE CERTAIN PROJECTS FOR ST. LUKE'S HEALTH SYSTEM**

(the "*Resolution*") was duly moved and seconded and, after due discussion, said motion, carrying with it the adoption of such Resolution, prevailed and carried by the following votes:

AYES: \_\_\_\_ NOES: \_\_\_\_

A true, full, and correct copy of the Resolution is attached to and follows this Certificate; the Resolution has been duly recorded in the Court's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Court's minutes of the Meeting pertaining to the adoption of the Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting members of the Court as indicated therein; each of the members of the Court was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Resolution would be introduced and considered for adoption at the Meeting; each of such members consented in advance to holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this \_\_\_\_\_.

\_\_\_\_\_  
Laura Richard, County Clerk  
Fort Bend County, Texas

\_\_\_\_\_  
Robert E. Hebert, County Judge  
Fort Bend County, Texas

(SEAL)

**RESOLUTION APPROVING  
THE ISSUANCE OF BONDS TO FINANCE AND REFINANCE  
CERTAIN PROJECTS FOR CHI ST. LUKE'S HEALTH SYSTEM**

WHEREAS, pursuant to 26 U.S.C. §147(f), as amended (hereinafter referred to as "*Section 147(f) of the Code*"), after reasonable public notice (a copy of which is attached hereto as **Exhibit A**), a public hearing has been conducted on the issuance of its limited obligation revenue bonds (hereinafter referred to as the "*Bonds*") by the Colorado Health Facilities Authority, the interest of which is intended to be excluded from gross income for federal income tax purposes, to finance, refinance, pay, or reimburse the costs of expenditures made for the acquisition, construction, renovation, and equipping of certain capital projects described in such notice, including facilities (hereinafter referred to as the "*Projects*") located in Fort Bend County, Texas (the "*County*"), all of which are owned, operated, managed or otherwise used by CHI St. Luke's Health System Corporation, a Texas non-profit corporation, or one or more affiliates as described in such notice; and

WHEREAS, the approval of the Bonds and the Projects by a governmental unit having jurisdiction over the area in which the Projects are located is a condition to the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes and, consequently, is necessary to finance and refinance the Projects at the favorable interest rates which are currently borne by tax-exempt obligations;

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

1. The issuance of a portion of the Bonds in the maximum aggregate principal amount of \$235,000,000 million to finance and refinance the Projects, as well as the appointment of the person to hold the above-described public hearing, are hereby approved pursuant to Section 147(f) of the Code.
2. The approval herein granted is solely for purposes of Section 147(f) of the Code and shall not be construed as a representation, warranty, or other undertaking of any kind by the County in respect of the Bonds or the Projects. The Bonds shall not constitute obligations of the State of Texas, this County, or any other political subdivision or agency thereof, or a pledge of the faith and credit of any of them. Neither the State of Texas nor any political subdivision thereof, including this County, shall be obligated to pay the Bonds or the interest thereon. Neither the faith and credit nor the taxing power of the State of Texas, this County, or any other political subdivision or agency thereof shall be pledged to the payment of principal of, redemption premium, if any, or interest on the Bonds.
3. The County Judge, the County Commissioners, and the County Clerk and other officers of the County, or any of them, are hereby authorized to execute and deliver such endorsements, certificates, instruments, documents, or other papers and to do all other things necessary or advisable to give effect to the intent and purpose hereof.

PASSED AND APPROVED this 27th day of June, 2017.

ATTEST:

\_\_\_\_\_  
Laura Richard, County Clerk

\_\_\_\_\_  
Robert E. Hebert, County Judge

\_\_\_\_\_  
Vincent Morales  
Commissioner Precinct 1

\_\_\_\_\_  
James Patterson  
Commissioner Precinct 2

\_\_\_\_\_  
Grady Prestage  
Commissioner Precinct 3

\_\_\_\_\_  
Andy Meyers  
Commissioner Precinct 4

Attachment



## AFFIDAVIT OF PUBLICATION

## STATE OF TEXAS:

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared, the Newspaper Representative at the HOUSTON CHRONICLE, a daily newspaper published in Harris County, Texas, and generally circulated in the Counties of: HARRIS, TRINITY, WALKER, GRIMES, POLK, SAN JACINTO, WASHINGTON, MONTGOMERY, LIBERTY, AUSTIN, WALLER, CHAMBERS, COLORADO, BRAZORIA, FORT BEND, GALVESTON, WHARTON, JACKSON, and MATAGORDA and that the publication, of which the annexed herein, or attached to, is a true and correct copy, was published to-wit:

NORTON ROSE FULBRIGHT US LLP  
RAN A LEGAL NOTICE

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Houston Chronicle

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Page  
B 4

Victoria Bond A/R Clerk  
NEWSPAPER REPRESENTATIVE

Sworn and subscribed to before me, this 2nd Day of June A.D. 2017



Charles E. Walichowski  
Notary Public in and for the State of Texas

## NOTICE OF PUBLIC HEARING

Take Notice that, for purposes of section 147(f) of the Internal Revenue Code of 1986, as amended, a public hearing will be held on June ~~20, 2016~~ 19, 2017, at 9:00 a.m. at the offices of Norton Rose Fulbright US LLP, Fulbright Tower, 1301 McKinney Street, Suite 5100, Houston, Texas 77010, with respect to the proposed issuance of limited obligation revenue bonds (the "Bonds") of the Colorado Health Facilities Authority, of which an approximate maximum aggregate principal amount of \$235,000,000 will be used in Harris, Montgomery, and Fort Bend Counties, Texas (the "Counties") to finance, refinance, pay or reimburse the costs of expenditures made for the acquisition, construction, renovation and equipping of certain capital projects at the addresses listed below (the "**Projects**"), including, without limitation, a new hospital ~~campus, tower at~~ 7200 Cambridge Street, Houston; featuring ~~650 beds, a patient tower beds, an emergency department,~~ ambulatory services, clinics, office space, lab space and operating rooms.

<u>Facilities</u>	<u>Location</u>
CHI St. Luke's Health Baylor College of Medicine Medical Center	7200 Cambridge St, Houston, Harris County
CHI St. Luke's Health Baylor College of Medicine Medical Center	6720 Bertner Ave. Houston, Harris County
St. Luke's Medical Clinic	O'Quinn Medical Tower, 6624 Fannin, Houston, Harris County
6620 Main Building	6620 Main, Houston, Harris County
St. Luke's The Woodlands Hospital	17200 St. Luke's Way, The Woodlands, Montgomery County
<u>Lakeside Hospital</u>	<u>17400 St. Luke's Way, The Woodlands, Montgomery County</u>
St. Luke's Sugar Land Hospital	1317 Lake Pointe Parkway, Sugar Land, Fort Bend County
Community Emergency Center-- Holcombe	2727 West Holcombe Blvd, Houston, Harris County
Community Emergency Center -- Pearland	11713 Shadow Creek Parkway, Pearland, Harris County
Community Emergency Center -- San Felipe	6363 San Felipe; Houston, Harris County
Diagnostic & Treatment Center -- Kirby Glen	2457 S. Braeswood, Houston, Harris County
St. Luke's Radiation Therapy and CyberKnife Facility	2491 S. Braeswood, Houston, Harris County
St. Luke's Hospital at The Vintage	20171 Chasewood Park Drive, Houston, Harris County

The facilities are owned, operated, or managed by St. Luke's Health System Corporation, CHI St. Luke's Health Baylor College of Medicine Medical Center; St. Luke's Episcopal Properties Corporation, St. Luke's Community Health Services d/b/a St. Luke's The Woodlands Hospital, St. Luke's Sugar Land Properties Corporation, St. Luke's Community Development Corporation – Sugar Land d/b/a/ St. Luke's Sugar Land Hospital, St. Luke's Medical Tower Corporation, St. Luke's Health System Corporation, St. Luke's Community Development Corporation – The Vintage, SL Augusta Corp, and/or one or more of their subsidiaries and/or affiliates.

The Bonds would be limited recourse obligations of the Colorado Health Facilities Authority payable solely from the repayment of the loan of proceeds of such obligations to Catholic Health Initiatives and would not constitute a debt or other obligation of Harris, Fort Bend, or Montgomery County, Texas, or any other public body or be in any way payable from taxes or other public funds.

All interested persons are invited to attend the public hearing and will be given an opportunity to address the question of whether the Commissioners Courts and/or the County Judges of such counties should approve the issuance of the Bonds and the facilities to be financed thereby. Following the public hearing a report concerning the hearing will be submitted to such Commissioners Courts and/or County Judges with a request to approve the issuance of the Bonds and the facilities.

Questions, requests for additional information, or written comments may be directed in writing to Norton Rose Fulbright US LLP, Fulbright Tower, 1301 McKinney Street, Suite 5100, Houston, Texas 77010, Attention: ~~Fredric A. Weber~~Reginald Wilson.



## CERTIFICATE OF PUBLIC HEARING

I, the undersigned, hereby certify in connection with the proposed issuance by the Colorado Health Facilities Authority (the "*Issuer*") of its limited obligation revenue bonds for the benefit of CHI St. Luke's Health System Corporation, a Texas non-profit corporation ("*CHI St. Luke's*"), and affiliates, in the approximate aggregate principal amount not to exceed \$235 million (the "*Bonds*"), as follows:

1. Commencing at 9:00 a.m. on Monday, June 19, 2017, at the offices of Norton Rose Fulbright, Fulbright Tower, 1301 McKinney Street, Suite 5100, Houston, Texas 77010, which offices were open to the public for purposes of the hearing, I conducted a public hearing on the issuance of the Bonds to finance the facilities described in the notice of such hearing published in the *Houston Chronicle* on June 2, 2017, all of which are owned, operated, or managed by CHI St. Luke's or affiliates and located as described in the notice.

2. At the time for the commencement of the hearing, I publicly requested comments, either orally or in writing, on the facilities to be financed with proceeds of the Bonds and on the issuance of the Bonds.

3. At the hearing, no persons presented comments orally or in writing.

4. I imposed no time limitations on any public comments.

IN WITNESS WHEREOF, I have hereunto set my hand this June 19, 2017.

  
.....  
Reginald Wilson Jr.