

BRACEWELL

July 17, 2020

Fort Bend County Commissioners Court
c/o The Honorable KP George
Fort Bend County Judge
County Courthouse
401 Jackson Street
Richmond, Texas 77469

Re: Harris County Cultural Education Facilities Finance Corporation Revenue Bonds (Houston Methodist) Series 2020 (the "Bonds")

Dear Judge George:

I am writing to you with respect to the proposed issuance of the above-referenced Bonds to finance certain capital projects of The Methodist Hospital d/b/a Houston Methodist ("Houston Methodist") and the approval of the Fort Bend County Commissioners Court to such issuance. A portion of the proceeds of the Bonds will be used to finance capital projects at the Houston Methodist Sugar Land Hospital facilities located in Fort Bend County, Texas (the "County").

In order to permit Houston Methodist to use proceeds of tax-exempt Bonds to finance or refinance facilities located in the County, approval of the Commissioners Court or the County Judge is required under federal tax law pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). We enclose a proposed Resolution of the Commissioners Court relating to such federal tax law approval of the issuance of the Bonds. **In anticipation of the closing of the issuance of the Bonds in August, we are requesting that the enclosed Resolution be placed on the Commissioners Court agenda for the July 28, 2020 meeting.**

The Code requires that each governmental unit having jurisdiction over the area in which any facility financed with proceeds of the Bonds is located approve the issuance of the Bonds after a public hearing is held on the matter, following reasonable public notice. A public hearing will be held with respect to the Bonds on July 20, 2020. Public notice of the hearing was published in the *Houston Chronicle* on July 13, 2020.

As the enclosed Resolution recites, the Bonds will be limited obligations of the Harris County Cultural Education Facilities Finance Corporation, payable solely from revenues of Houston Methodist, and will not constitute a debt of the County, the State of Texas or of any other political corporation, subdivision or agency of the State.

As an alternative to approval by the County Commissioners Court via the attached resolution, the County Judge may instead provide the required federal tax law approval by certificate. (In the past, some counties have preferred this approach due to the routine nature of the requested approval.) If you prefer to handle the

Paige H. Abernathy
Associate

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#6205213.1

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approval in this manner, please let me know and we will provide a copy of the certificate for your review and signature.

We plan to virtually attend the July 28 meeting of the Commissioners Court and be available by phone to answer any questions that you may have. In the meantime, please call me at (713) 221-1311 if you have any questions or comments or need any additional information regarding any aspect of this matter. We greatly appreciate your time and assistance.

Very truly yours



Paige H. Abernathy

Enclosures

c: Cristy C. Edwards (Firm)

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

I, the undersigned County Clerk of Fort Bend County, Texas, hereby certify as follows:

1. The Commissioners Court (the “Commissioners Court”) of Fort Bend County, Texas, (the “County”) convened in regular meeting on July 28, 2020, by video conference pursuant to the March 16, 2020 action by the Governor of the State of Texas under Section 418.016 of the Texas Government Code suspending certain provisions of the Texas Open Meetings Act, within said County, and the roll was called of the duly constituted officers and members of said Commissioners Court, to wit:

KP George	County Judge
Vincent Morales, Jr.	Commissioner
Grady Prestage	Commissioner
W. A. “Andy” Meyers	Commissioner
Ken DeMerchant	Commissioner

and all of said persons were present except for _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

RESOLUTION APPROVING THE ISSUANCE OF HARRIS COUNTY CULTURAL EDUCATION FACILITIES FINANCE CORPORATION REVENUE BONDS (HOUSTON METHODIST) SERIES 2020 TO FINANCE THE COSTS OF CERTAIN FACILITIES FOR THE METHODIST HOSPITAL AND WITH RESPECT TO A PUBLIC HEARING

was duly introduced for the consideration of said Commissioners Court. It was then duly moved and seconded that said resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, prevailed and carried by the following vote: Ayes: ___; Noes: ___; Abstentions: ___.

2. A true, full and correct copy of the aforesaid resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; said resolution has been duly recorded in said Commissioners Court’s minutes of said meeting; the above and foregoing paragraph is a true, full and correct excerpt from said Commissioners Court’s minutes of said meeting pertaining to the adoption of said resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Commissioners Court as indicated therein; each of the officers and members of said Commissioners Court was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; and said meeting was open to the public as required by law; and public notice of the date, hour, place and subject of said meeting was given as required by the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act.

SIGNED this July 28, 2020.

County Clerk
Fort Bend County, Texas

[SEAL]

Certificate for Resolution
(Houston Methodist, Series 2020)

#6203824.2

RESOLUTION APPROVING THE ISSUANCE OF HARRIS COUNTY CULTURAL EDUCATION FACILITIES FINANCE CORPORATION REVENUE BONDS (HOUSTON METHODIST) SERIES 2020 TO FINANCE THE COSTS OF CERTAIN FACILITIES FOR THE METHODIST HOSPITAL AND WITH RESPECT TO A PUBLIC HEARING

WHEREAS, the Harris County Cultural Education Facilities Finance Corporation (the “Issuer”) is authorized, pursuant to the Cultural Education Facilities Finance Corporation Act, Texas Local Government Code Chapter 337 (the “Enabling Act”), to issue revenue bonds to finance and refinance the cost of cultural and/or health facilities, and to make loans to provide for financing or refinancing of the cost of such facilities; and

WHEREAS, The Methodist Hospital d/b/a Houston Methodist (“Methodist”) has requested that the Issuer issue, and the Issuer has approved the issuance of, its Revenue Bonds (Houston Methodist) Series 2020 in one or more series (collectively, the “Bonds”), pursuant to the Enabling Act, and a loan of the proceeds of the Bonds to Methodist to finance and/or refinance the costs of certain facilities owned and/or operated and/or to be owned and/or operated by Methodist and/or its non-profit affiliates (as described more particularly in **Schedule 1 to Exhibit A** hereto), which are facilities are and will be located throughout the State of Texas (the “Facilities”); and

WHEREAS, a portion of the Facilities consisting of the following site is and/or will be located in Fort Bend County, Texas (the “County”): Houston Methodist Sugar Land Hospital, located at the campus at or about 16655 Southwest Freeway, Sugar Land, Texas 77479 (the “Local Portion of the Facilities”); and

WHEREAS, the aggregate maximum stated principal amount of the Bonds to be issued on a tax-exempt basis to be used to finance and/or refinance the Facilities is \$550,000,000 (provided that an additional amount of bonds may be issued on a taxable basis) and the aggregate maximum stated principal amount of the Bonds to be used to finance and refinance the Local Portion of the Facilities is \$67,500,000; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), requires that the Bonds and the Facilities to be financed with proceeds of the Bonds be approved by the “applicable elected representative” (the “AER”) of the governmental unit having jurisdiction over the area in which the Facilities are or will be located, after a public hearing following reasonable public notice; and

WHEREAS, with respect to the Bonds and the Local Portion of the Facilities, the Commissioners Court (the “Commissioners Court”) of the County is an AER; and

WHEREAS, a public hearing with respect to the Bonds was held on July 20, 2020 (the “Public Hearing”) by the duly appointed hearing officer of the Issuer (the “Hearing Officer”), notice of such Public Hearing having been published not less than seven days before the day of such Public Hearing in a newspaper of general circulation available to residents within the boundaries of the County, all as shown in **Exhibit A** attached hereto; and

WHEREAS, the issuance of the Bonds and the action of the Commissioners Court with respect to the matters described herein will create no liability for the County or its residents;

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

1. All actions taken by or on behalf of the County or the Issuer with respect to the appointment of the Hearing Officer, the publication of the Notice of the Public Hearing and the conducting of such Public Hearing are hereby authorized, approved and ratified.

2. In order to comply with Section 147(f) of the Code, the Public Hearing has been held by or on behalf of the County, in which hearing members of the public were permitted to express their views with respect to the Facilities and the issuance of the Bonds for such purpose. Notice of such hearing was published no less than seven days prior to such hearing in a newspaper of general circulation in the County, and an affidavit of the publication of such notice and a copy of such notice are each attached to **Exhibit A** hereto. Based upon the results of such hearing (as shown in the certificate of public hearing officer attached hereto as **Exhibit A**), and for purposes of complying with Section 147(f) of the Code, the issuance of the Bonds for the Local Portion of the Facilities is hereby approved

3. THE COUNTY, THE COMMISSIONERS COURT, THE COUNTY JUDGE AND ALL OTHER COUNTY OFFICIALS MAKE NO REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE FACILITIES OR THE ISSUANCE, CREDITWORTHINESS OR REPAYMENT OF THE BONDS TO BE ISSUED BY THE ISSUER WITH RESPECT TO THE FACILITIES. UNDER NO CIRCUMSTANCES SHALL THE COUNTY HAVE ANY LIABILITY, FINANCIAL OBLIGATION OR RESPONSIBILITY OF ANY KIND WITH RESPECT TO THE PAYMENT OF BONDS ISSUED FOR THE FACILITIES OR FOR THE CONSTRUCTION, MAINTENANCE, OPERATION OR ANY OTHER ASPECT OF THE FACILITIES.

4. The County Judge and County Clerk of the County and other officers or representatives of the County are hereby authorized to execute and deliver such instruments, certificates, or documents necessary or advisable to carry out the intent and purpose of this resolution.

5. This resolution shall take effect immediately upon its passage and shall continue in force and effect from the date hereof.

PASSED AND APPROVED this 28th day of July, 2020.

**Exhibit A
to Resolution**

Certificate of Public Hearing Officer

[See Attached.]

CERTIFICATE OF PUBLIC HEARING OFFICER
REGARDING PUBLIC HEARING (INTERNAL REVENUE CODE § 147(f))

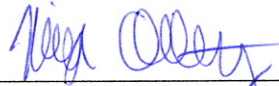
Re: Harris County Cultural Education Facilities Finance Corporation Revenue Bonds (Houston Methodist) Series 2020 in one or more series (the "Bonds")

I, the undersigned, do hereby make and execute this certificate for the benefit of all persons interested in the reissuance for federal tax purposes of the above-captioned Bonds.

I hereby certify as follows:

1. I am the duly appointed hearing officer for the public hearing which was held in connection with the issuance of the Bonds at the time and place indicated in the Notice of Public Hearing attached hereto as **Schedule 1**.
2. The Notice of Public Hearing was published no less than seven days before the date of the public hearing, as evidenced by the Affidavit of Publication of the Notice of Public Hearing attached hereto as **Schedule 1**.
3. All persons (if any) appearing at the public hearing were given an opportunity to comment on the proposed issuance of the Bonds. No such persons appeared or made comments except as set forth on **Schedule 2** attached hereto.
4. After giving all interested persons an opportunity to appear and comment, the public hearing was declared closed.

WITNESS MY HAND as of the 20th day of July, 2020.



Paige H. Abernathy
Hearing Officer

- Schedule 1 - Affidavit of Publication of the Notice of Public Hearing (with Attached Notice of Public Hearing)
- Schedule 2 - Names and Comments of Persons Attending Public Hearing

**Schedule 1
to Exhibit A**

AFFIDAVIT OF PUBLICATION WITH ATTACHED NOTICE OF PUBLIC HEARING



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:

BRACEWELL LLP
RAN A LEGAL NOTICE
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Victoria Bond A/R Clerk
NEWSPAPER REPRESENTATIVE

Sworn and subscribed to before me, this 13th Day of July A.D. 2020



[Signature]
Notary Public in and for the State of Texas

NOTICE OF PUBLIC HEARING
HARRIS COUNTY CULTURAL EDUCATION FACILITIES FINANCE CORPORATION
REVENUE BONDS

(HOUSTON METHODIST) SERIES 2020

NOTICE IS HEREBY GIVEN of a telephonic public hearing to be held on behalf of the Harris County Cultural Education Facilities Finance Corporation (the "Issuer") on behalf of Harris County, Texas, Fort Bend County, Texas, and Montgomery County, Texas on July 20, 2020, at 9:00 a.m., with respect to the issuance of the captioned bonds in one or more series (the "Bonds"). Interested parties may join the public hearing on the date and the time indicated above by dialing +1.866.226.4650 (US Toll Free) and, when prompted, entering the meeting code 467651010.

The Issuer proposes to issue the Bonds in an aggregate principal amount not to exceed \$550,000,000, and to loan the proceeds thereof to The Methodist Hospital d/b/a Houston Methodist, a Texas nonprofit corporation ("Methodist"), for the purposes of (a) financing, refinancing, and/or reimbursing Methodist for the costs of acquiring, constructing, improving, equipping, and making any other capital improvements to any one or more of the health care facilities owned or operated and/or to be owned or operated by Methodist and/or its affiliates, as further described below (collectively, the "Series 2020 Project"), and (b) paying the issuance costs of the Bonds. The owner and/or user of the Series 2020 Project is and/or will be Methodist and/or its affiliates.

The Series 2020 Project includes the costs of acquiring, constructing, improving, equipping, and making any other capital improvements to any one or more of the following health care facilities, in the aggregate maximum principal amounts at each location noted below: (a) Houston Methodist Hospital, located at the campus at or about 6565 Fannin Street and 6551 Bertner Avenue, Houston, Harris County, Texas 77030 ("HM TMC") (\$65,000,000); (b) Houston Methodist The Woodlands Hospital, located at the campus at or about 17201 Interstate 45 South, The Woodlands, Montgomery County, Texas 77385 ("HM The Woodlands") (\$242,000,000); (c) Houston Methodist Sugar Land Hospital, located at the campus at or about 16655 Southwest Freeway, Sugar Land, Fort Bend County, Texas 77479 ("HM Sugar Land") (\$67,500,000); (d) Houston Methodist West Hospital, located at the campus at or about 18500 Katy Freeway, Houston, Harris County, Texas 77094 ("HM West") (\$8,700,000); (e) Houston Methodist Baytown Hospital, located at the campus at or about 4401 Garth Road, Baytown, Harris County, Texas 77521 ("HM Baytown") (\$235,200,000); (f) Houston Methodist Willowbrook Hospital, located at the campus at or about 18220 State Highway 249, Houston, Harris County, Texas 77070 ("HM Willowbrook") (\$16,600,000); and (g) the Josie Roberts Administrative Building and parking garage located at or about 7550 Greenbriar Drive, Houston, Harris County, Texas 77030 (\$66,000,000).

The aforementioned hearing will be conducted by Paige Abernathy or her designee. All interested persons are invited to telephonically attend such public hearing and express their views with respect to the projects to be financed or refinanced with proceeds of the Bonds and the issuance of the Bonds. Questions or requests for additional information may be directed to Paige Abernathy, Bracewell LLP, 711 Louisiana, Suite 2300, Houston, Texas 77002 (telephone: (713) 221.1311; e-mail: paige.abernathy@bracewell.com).

If a member of the public is having difficulty accessing the telephone conference line, they should contact Ms. Abernathy at the contact information set forth above for assistance. Any interested persons unable to attend the telephonic public hearing may submit their views in writing to Ms. Abernathy or by email to the contact information set forth above prior to the date scheduled for the hearing.

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 Bonds, and the hearing is a "combined hearing" within the meaning of Section 1.147-1(d)(2) of the Treasury Regulations.

NOTICE OF PUBLIC HEARING

HARRIS COUNTY CULTURAL EDUCATION FACILITIES FINANCE CORPORATION REVENUE BONDS (HOUSTON METHODIST) SERIES 2020

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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 Bonds, and the hearing is a “combined hearing” within the meaning of Section 1.147-1(d)(2) of the Treasury Regulations.

**Schedule 2
to Exhibit A**

NAMES AND COMMENTS OF PERSONS ATTENDING PUBLIC HEARING

None.