

# NORTON ROSE FULBRIGHT

April 19, 2016

**Via FedEx**

Norton Rose Fulbright US LLP  
1301 McKinney, Suite 5100  
Houston, Texas 77010-3095  
United States

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

Direct line +1 713 651 5608  
reginald.wilson@nortonrosefulbright.com

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**AGENDA ITEM**

**COUNTY JUDGE  
RECEIVED**

APR 20 2016

Attention: Ms. Donna Ospina  
Office of the Commissioners  
Agenda Coordinator

Re: Notice of Intention to Issue  
Harris County Cultural Education Facilities Finance Corporation  
Hospital Revenue Bonds  
(Memorial Hermann Health System) Series A–E

Gentlemen:

On behalf of the Harris County Cultural Education Facilities Finance Corporation (the "Corporation") and Memorial Hermann Health System, we respectfully request that the Commissioners Court adopt the enclosed resolution to permit the issuance of tax-exempt limited obligation revenue bonds to finance and refinance certain facilities described in the enclosed notice of public hearing, including facilities located in Fort Bend County, Texas.

Attached to the resolution is a notice of public hearing on a plan of finance for the bonds and the facilities to be financed, which was published in the *Houston Chronicle* on April 4, 2016. Attached to this letter is a certificate reporting that no one appeared at the public hearing to oppose the financing.

As bond counsel to the Corporation for this matter, we respectfully request that the Commissioners Court consider adoption of the enclosed resolution at its regular meeting scheduled for Tuesday, April 26, 2016. We would suggest that this matter appear separately on the agenda for the Commissioners Court meeting as follows:

**RESOLUTION APPROVING THE ISSUANCE OF BONDS BY HARRIS  
COUNTY CULTURAL EDUCATION FACILITIES FINANCE CORPORATION TO  
FINANCE OR REFINANCE PROJECTS FOR MEMORIAL HERMANN HEALTH  
SYSTEM**

As we have previously reported, section 147(f) of the Internal Revenue Code of 1986, as amended, provides that the bonds or a plan of finance for the bonds and the facilities to be financed or refinanced by the bonds must be approved by the Commissioners Court or the County Judge, after a public hearing held on public notice, in order for interest on the bonds to be exempt from federal income taxes. As noted by the enclosed certificate, a public hearing for this purpose was held by the Corporation on April 19, 2016.

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

71629916.1

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April 19, 2016  
Page 2

NORTON ROSE FULBRIGHT

Following, you will receive by mail this letter are six (6) copies of a Certificate of County Clerk which have been prepared in connection with the issuance of the first installment of bonds. We respectfully request that six (6) fully executed, *but undated* Certificates and an executed copy of the resolution be returned after adoption of the enclosed resolution. We will date the Certificates the date of issuance of such bonds.

A representatives from Memorial Hermann Health System will be attending the Commissioners Court meeting in order to answer any questions the Commissioners may have relating to the financing or the resolution. However, as we discussed, we are not planning on making a presentation to the Commissioners unless requested to do so by the county.

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.

Very truly yours,



Reginald Wilson, Jr.

Enclosures

cc: (w/enclosures):  
Ms. Ann C. Jacobos  
Mr. Judy Sohn – Memorial Hermann Health System

**RESOLUTION APPROVING  
THE ISSUANCE OF BONDS BY HARRIS COUNTY  
CULTURAL EDUCATION FACILITIES FINANCE CORPORATION  
TO FINANCE OT REFINANCE CERTAIN PROJECTS FOR  
MEMORIAL HERMAN HEALTH SYSTEM**

WHEREAS, the Harris County Cultural Education Facilities Finance Corporation, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "*Code*"), after reasonable public notice (a copy of which is attached hereto as *Exhibit A*), has conducted a public hearing on a plan, including the issuance of its limited obligation revenue bonds in the approximate maximum aggregate principal amount of \$800,000,000 (hereinafter referred to as the "*Bonds*"), to finance or refinance certain projects described in such notice (hereinafter referred to as the "*Projects*"), including at Memorial Hermann Sugar Land Hospital in Fort Bend County (the "*County*"), all owned, operated or managed by Memorial Hermann Health System, a Texas non-profit corporation; and

WHEREAS, the approval of the Bonds or plan of finance by this Court or the County Judge 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 or refinance the Projects at the favorable interest rates which are borne by tax-exempt obligations;

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

1. The above-described plan, including issuance of the Bonds in the approximate aggregate principal amount of \$800,000,000, to finance or refinance the Projects to be located in Fort Bend County, and such Projects, 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 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 the 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, the 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 26<sup>th</sup> day of April, 2016.

*Robert E. Hebert*

Robert E. Hebert, County Judge

ATTEST:

*Laura Richard*

Laura Richard, County Clerk

*Richard Morrison*

Richard Morrison  
Commissioner Pct. 1

*James Patterson*

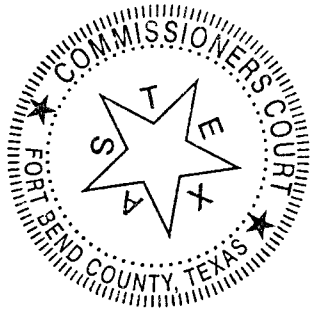
James Patterson  
Commissioner Pct. 2

*Grady Prestage*

Grady Prestage  
Commissioner Pct. 3

*Andy Meyers*

Andy Meyers  
Commissioner Pct. 4



Attachment

## CERTIFICATE OF PUBLIC HEARING

I, the undersigned, hereby certify in connection with a plan of finance by the Harris County Cultural Education Facilities Finance Corporation (the "*Issuer*") for the issuance of its limited obligation revenue bonds in the approximate maximum aggregate principal amount of \$800,000,000 (the "*Bonds*") for the benefit of Memorial Hermann Health System, a Texas non-profit corporation (the "*Borrower*"), as follows:

1. I am general counsel for the Issuer and have been duly authorized to conduct a public hearing on the plan of finance, including issuance of the Bonds, to finance and refinance the facilities described in the notice of such hearing published in the *Houston Chronicle* on April 4, 2016, all of which are or are to be owned, operated, or managed by the Borrower and located in Harris County, Texas, as described in the notice.

2. I conducted such hearing commencing at 11:00 a.m. on Tuesday, April 19, 2016, at the offices of Nathan Sommers Jacobs, a Professional Corporation, 2800 Post Oak Boulevard, Suite 6100, Houston, Texas 77056, which offices were open to the public for purposes of the hearing.

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this April 19, 2016.



Ann C. Jacobs

**CERTIFICATE OF COUNTY CLERK**

**THE STATE OF TEXAS  
COUNTY OF FORT BEND**

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

1. The Commissioners Court (the "Court") of the County convened in regular session, open to the public, on April 26, 2016, at the Fort Bend County Courthouse, Richmond, Texas, and the roll was called of the members of the Court, to-wit:

- Robert E. Hebert, County Judge
- Richard Morrison, Commissioner, Precinct 1
- James Patterson, Commissioner, Precinct 2
- Grady Prestage, Commissioner, Precinct 3
- Andy Meyers, 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 BY HARRIS COUNTY  
CULTURAL EDUCATION FACILITIES FINANCE CORPORATION  
TO FINANCE OR REFINANCE CERTAIN PROJECTS FOR  
MEMORIAL HERMANN HEALTH SYSTEM**

was duly introduced for the consideration of the Court. It was then duly moved and seconded that such Resolution be adopted; and, after due discussion, such motion, carrying with it the adoption of such Resolution, prevailed and carried by the following votes:

AYES: 5 NOES: 0

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 this Certificate; such Resolution has been duly recorded in the Court's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Court's minutes of such meeting pertaining to the adoption of such 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 such meeting, and that such Resolution would be introduced and considered for adoption at such meeting; and such meeting was open to the public, and public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

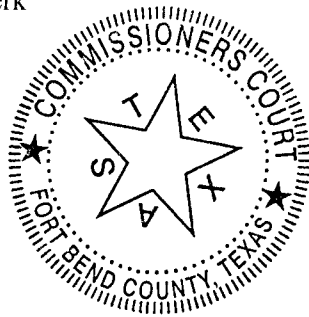
SIGNED AND SEALED this \_\_\_\_\_

*Laura Richard*

Laura Richard, County Clerk  
Fort Bend County, Texas  
(SEAL)

*Robert E. Hebert*

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



*EXHIBIT A*

**NOTICE OF PUBLIC HEARING**

TAKE NOTICE THAT, for purposes of Section 147 of the Internal Revenue Code of 1986, as amended, the Harris County Cultural Education Facilities Finance Corporation (the “Issuer”) will hold a public hearing on Tuesday, April 19, 2016, at 11:00 a.m., at the offices of Nathan Sommers Jacobs, a Professional Corporation, 2800 Post Oak Boulevard, 61<sup>st</sup> Floor, Houston, Texas 77056, with respect to a plan of finance that will consist of the issuance, in multiple series and in multiple years, of revenue bonds to be issued by the Issuer in an aggregate principal amount not to exceed \$800 million, the proceeds of which will be loaned to Memorial Hermann Health System to provide funds to finance and refinance the construction, expansion, renovation, and replacement of, additions to, and the acquisition of sites, buildings, and capital equipment for healthcare facilities, including the issuance of (a) revenue bonds for such purposes in the estimated maximum aggregate principal amount of \$600 million and (b) additional bonds in the estimated maximum aggregate principal amount of \$200 million to refund Harris County Health Facilities Development Corporation Hospital Revenue Refunding Bonds (Memorial Hermann Healthcare System) Series 2008A and Harris County Cultural Education Facilities Finance Corporation Hospital Revenue Refunding Bonds (Memorial Hermann Health System) Series 2013C and 2013D, which were issued to refund bonds previously issued for one or more of such purposes. The projects to be financed and refinanced are at the following locations in the State of Texas and are described as follows:

<u>Facilities</u>	<u>Location</u>
1. Memorial Hermann-Texas Medical Center (including Children’s Memorial Hermann Hospital), a 1,082-bed acute care hospital to be expanded by 160 beds and a new 416-bed hospital tower	6411 Fannin, Houston, Harris County
2. Memorial Hermann Southwest Hospital, a 594-bed acute care hospital	7600 Beechnut, Houston, Harris County
3. Memorial Hermann Southeast Hospital, a 274-bed acute care hospital	11800 Astoria Boulevard, Houston, Harris County
4. Memorial Hermann Greater Heights Hospital, a 260-bed acute care hospital	1635 North Loop West, Houston, Harris County
5. Memorial Hermann Memorial City Medical Center, a 426-bed acute care hospital	921 Gessner, Houston, Harris County
6. Memorial Hermann The Woodlands Hospital, a 258-bed acute care hospital	9520 Pinecroft Drive, The Woodlands, Montgomery County
7. Memorial Hermann Katy Hospital, a 142-bed acute care hospital to be expanded by 60 beds	23900 Katy Freeway, Katy, Harris County

- |     |   |  |
|-----|---|--|
| 8.  | Memorial Hermann Sugar Land Hospital, an 81-bed acute care hospital to be expanded by 60 beds                                     | 17500 West Grand Parkway, Sugar Land, Fort Bend County |
| 9.  | Memorial Hermann Cypress Hospital, a 128-bed acute care hospital  | U.S. Highway 290 near Mason Road, Harris County        |
| 10. | Memorial Hermann Northeast Hospital, a 255-bed hospital   | 18951 N. Memorial Drive, Humble, Harris County         |
| 11. | Memorial Hermann Prevention and Recovery Center, a 92-bed rehabilitation hospital and 54-bed chemical dependency treatment center | 3033-3043 Gessner Road, Houston, Harris County         |
| 12. | Memorial Hermann mental health facility   | 2801 Gessner Road, Houston, Harris County              |
| 13. | Memorial Hermann Wellness Center, a preventive health care facility   | 7701-7737 Southwest Freeway, Houston, Harris County    |

The facilities are owned, operated, or managed by Memorial Hermann Health System, a Texas non-profit corporation, or one or more of its affiliates.

The bonds will be limited non-recourse obligations of the Issuer payable solely from the repayment of a loan of proceeds of the bonds to Memorial Hermann Health System and will not constitute a debt or obligation of Harris County 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 Court and/or County Judges of Harris, Fort Bend, and/or Montgomery Counties should approve the plan of finance and the issuance of the bonds. Following the public hearing a report concerning such hearing will be submitted to the approving governmental bodies or officials, with a request to approve the plan of finance and facilities and issuance of the bonds.

Questions, requests for additional information, or written comments may be directed in writing to the Issuer in care of Nathan Sommers Jacobs, a Professional Corporation, 2800 Post Oak Boulevard, 61<sup>st</sup> Floor, Houston, Texas 77056, Attention: Ann C. Jacobs.

HARRIS COUNTY CULTURAL  
EDUCATION FACILITIES  
FINANCE CORPORATION

AFFIDAVIT OF PUBLICATION

STATE OF TEXAS:

COUNTY OF HARRIS.

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:

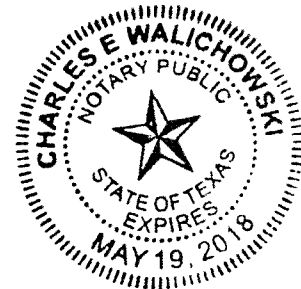
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Product	Date	Class	Page
Houston Chronicle	Mar 21 2016	Legal Notices	B 4

*Edward J. [Signature]*  
NEWSPAPER REPRESENTATIVE

Sworn and subscribed to before me, this 21st Day of March A.D. 2016



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

**NOTICE OF PUBLIC HEARING**

TAKE NOTICE THAT, for purposes of Section 147 of the Internal Revenue Code of 1986, as amended, the Harris County Cultural Education Facilities Finance Corporation (the "Issuer") will hold a public hearing on Tuesday, April 5, 2016, at 11:00 a.m., at the offices of Nathan Sommers Jacobs, a Professional Corporation, 2800 Post Oak Boulevard, 61st Floor, Houston, Texas 77056, with respect to a plan of finance for the construction, expansion, renovation, and replacement of, additions to, and the acquisition of sites and capital equipment for the following healthcare facilities (with the following approximate bed capacity) located at the following locations in the State of Texas, including the issuance of revenue bonds for such purposes in the estimated maximum aggregate principal amount of \$600 million in the next three years:

Facilities	Location
1. Memorial Hermann-Texas Medical Center (including Children's Memorial Hermann Hospital) a 1,082-bed acute care hospital to be expanded by 160 beds and a new 416-bed hospital tower	6411 Fannin, Houston, Harris County
2. Memorial Hermann Southwest Hospital, a 594-bed acute care hospital	7600 Beechnut, Houston, Harris County
3. Memorial Hermann Southeast Hospital, a 274-bed acute care hospital	11800 Astoria Boulevard, Houston, Harris County
4. Memorial Hermann Greater Heights Hospital, a 260-bed acute care hospital	1635 North Loop West, Houston, Harris County
5. Memorial Hermann Memorial City Medical Center, a 426-bed acute care hospital	921 Gessner, Houston, Harris County
6. Memorial Hermann The Woodlands Hospital, a 258-bed acute care hospital	9520 Pinecroft Drive, The Woodlands, Montgomery County
7. Memorial Hermann Katy Hospital, a 142-bed acute care hospital to be expanded by 60 beds	23900 Katy Freeway, Katy, Harris County
8. Memorial Hermann Sugar Land Hospital, an 81-bed acute care hospital to be expanded by 60 beds	17500 West Grand Parkway, Sugar Land, Fort Bend County
9. Memorial Hermann Cypress Hospital, a 128-bed acute care hospital	U.S. Highway 290 near Mason Road, Harris County
10. Memorial Hermann Northeast Hospital, a 255-bed hospital	18951 N. Memorial Drive, Humble, Harris County

The facilities are owned, operated, or managed by Memorial Hermann Health System, a Texas non-profit corporation, or one or more of its affiliates.

The bonds will be limited non-recourse obligations of the Issuer payable solely from the repayment of a loan of proceeds of the bonds to Memorial Hermann Health System and will not constitute a debt or obligation of Harris County 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 Harris County Commissioners Court and/or County Judge should approve the plan of finance and the issuance of the bonds. Following the public hearing a report concerning such hearing will be submitted to the approving governmental body or official, with a request to approve the plan of finance and facilities and issuance of the bonds.

Questions, requests for additional information, or written comments may be directed in writing to the Issuer in care of Nathan Sommers Jacobs, a Professional Corporation, 2800 Post Oak Boulevard, 61st Floor, Houston, Texas 77056. Attention: Ann C. Jacobs.

HARRIS COUNTY CULTURAL EDUCATION FACILITIES FINANCE CORPORATION

## Ospina, Donna

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**From:** Spencer, Marcus  
**Sent:** Wednesday, April 20, 2016 1:03 PM  
**To:** Ospina, Donna  
**Subject:** RE: Memorial Hermann Health System Bond Documents

Donna,

The documents are approved as to legal form.

Marcus D. Spencer  
First Assistant County Attorney  
Fort Bend County  
401 Jackson, 3<sup>rd</sup> Floor  
Richmond, Texas 77469  
Telephone No. 281-341-4555  
Fax No. 281-341-4557  
[Marcus.Spencer@fortbendcountytexas.gov](mailto:Marcus.Spencer@fortbendcountytexas.gov)

+++++CONFIDENTIALITY NOTICE+++++

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**From:** Ospina, Donna  
**Sent:** Tuesday, April 19, 2016 3:02 PM  
**To:** Spencer, Marcus  
**Subject:** FW: Memorial Hermann Health System Bond Documents

Hi Marcus, please let me know if there is time for review of this request, we expected preliminary documents to arrive last Tuesday for review, and that the agency would forward the public hearing confirmation once it was conducted. If your office approves form, I will prepare for April 26 agenda. If it is helpful, the organization requested approval to issue bonds to expand the facility on April 22, 2014.

Thank very much,  
Donna

**From:** Wilson, Jr., Reginald [<mailto:reginald.wilson@nortonrosefulbright.com>]  
**Sent:** Tuesday, April 19, 2016 11:07 AM  
**To:** Ospina, Donna  
**Cc:** Werlein, Ann; 'robert.herbert@fortbendcountytexas.gov'  
**Subject:** Memorial Hermann Health System Bond Documents

Ms. Ospina,