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TO: The Honorable County Judge and County Commissioners of  
Williamson County, Texas

FROM: William C. Blount, Naman Howell Smith & Lee, PLLC

RE: Tax Exempt Financing

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Georgetown Healthcare Community Services, Inc. (an affiliate of Georgetown Healthcare System) is working on a tax exempt financing with Compass Bank which will save a substantial amount of money. The purpose of the financing is to refinance an earlier conventional loan which was used to remodel the old Lake Aire Shopping Center at 2423 Williams Drive in Georgetown.

Georgetown Healthcare Community Services, Inc. will own this facility and will lease approximately 40,000 feet inside the building to Lone Star Circle of Care, another Texas nonprofit corporation. Lone Star Circle of Care will use the lease area for a pediatric clinic, adult clinic, senior care clinic, mental health clinic and pharmacy. These facilities will be targeted primarily at indigent citizens of Williamson County.

The amount of the financing will not exceed \$7,500,000. This particular tax exempt loan will be solely for the 40,000 square feet used by Lone Star Circle of Care.

Why we need your approval

This financing will be accomplished by the Crawford Health Facilities Development Corporation, an entity that has financed other hospital facilities for the Georgetown Healthcare System. Under Texas law, particularly Section 221.030(a)(1)(B) of the Texas Health and Safety Code, the Crawford Corporation can exercise its authority outside the Crawford city limits only with the consent of both the City of Georgetown and Williamson County. We are seeking that consent.

No adverse impact

All expenses of this financing will be paid by Georgetown Healthcare Community Services, Inc. There is absolutely no liability for the county or the city in regard to this financing

or the project. The paperwork will make that abundantly clear and the lending bank (Compass Bank) will sign an agreement/document acknowledging that neither the county nor the city has any liability with regard to this transaction. This transaction also will not impact your bonding authority in any way. The only reason the County's approval is needed is the law mentioned above. The debt will be issued through an entity in Crawford, and not by any entity of either Williamson County or the City of Georgetown.

We thank you for your kind assistance in regard to this important matter for a local health care project.