

March 14, 2022

Commissioners Court of Williamson County
Williamson County Courthouse
710 S. Main Street
Georgetown, Texas 78626

Re: Consent approving a Note issued by HFDC of Central Texas, Inc. for S.P.J.S.T.
Rest Home

Ladies and Gentlemen:

HFDC of Central Texas, Inc. (the "Issuer"), on behalf of the City of Hubbard, Texas, previously issued its note (the "Note") in the aggregate amount not exceeding \$20,000,000, pursuant to the Health Facilities Development Act, Chapter 221, Texas Health and Safety Code (the "Act"). The proceeds of the Note were used to provide funds to refinance certain health care facilities for S.P.J.S.T. Rest Home (the "Borrower"), a Texas nonprofit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The Borrower owns and operates a facility with skilled nursing beds and assisted living units located at 501 East Lake Drive and 505 East Lake Drive in Taylor, Texas (the "Taylor Campus"). The proceeds of the Note were loaned to the Borrower and used for (a) refinancing certain tax-exempt bonds, that were issued to pay a portion of the cost of adding 36 assisted living units to the Taylor Campus, (b) financing a portion of the cost of a replacement nursing facility with approximately 72 units and 96 beds on an approximately 15.729 acre site located on Old Granger Road in Taylor, Texas adjacent to the Taylor Campus (together with the Taylor Campus, the "Project"), (c) financing certain capital expenditures at the Project, (d) establishing a debt service reserve fund and (e) paying costs of issuance of the Note.

The Borrower, the Issuer and the holder of the Note have proposed certain modifications to the terms of the Note, to extend the mandatory redemption date and make other updates relating to the interest rate. Our firm acted bond counsel to the Issuer in connection with the initial issuance of the Note and is acting as bond counsel in connection with the proposed Note modification.

The Project is located within Williamson County, Texas (the "County"), and the County previously approved the Note and the Project on December 9, 2014, for purposes of Section 147(f) of the Internal Revenue Code (the "Code"). In order to preserve the tax-exempt status of the Note for federal income tax purposes, we now seek the County's approval of the modified Note and the Project. A public hearing regarding the Note and the Project was held on February 21, 2022 and a copy of the minutes of the public hearing is enclosed as **Exhibit A**.

For your convenience, I have enclosed as **Exhibit B** a proposed form of a consent resolution. This approval is required solely for the purposes of satisfying the Code and to enable the Issuer to proceed with the modification of the Note. **This approval in no way imposes any payment or other obligations on the County in connection with the Note or the Project. The County will have no liability with respect to the proposed Note.**



Therefore, on behalf of the Issuer and Borrower we respectfully request that consideration of adoption of the enclosed consent resolution be placed on the agenda for the next available meeting of Williamson County, Texas, and that the Commissioners Court approve and adopt such resolution. Upon such approval, I would also very much appreciate it if you would email a scan or return an original version of the executed resolution to me at the contact information below. Please retain one copy for your file.

Please do not hesitate to contact me at (214) 754-9266 should you have any questions or comments.

Thank you very much for your cooperation and assistance.

Sincerely yours,

McCall, Parkhurst & Horton L.L.P.

Abraham "Abe" Benavides

AAB:bc
Enclosures

Contact:
Abe Benavides
(214) 754-9266
abenavides@mphlegal.com
McCall, Parkhurst & Horton L.L.P.
717 North Harwood, Suite 900
Dallas, Texas 75201

cc: Ms. Carol Pumbo (via email)

EXHIBIT A

MINUTES OF PUBLIC HEARING

MINUTES OF PUBLIC HEARING
HFDC of Central Texas, Inc.

Re: HFDC of Central Texas, Inc. Promissory Note (S.P.J.S.T. Rest Home Project)

The undersigned, Abraham Benavides, designated Hearing Officer of HFDC of Central Texas, Inc. (the "Issuer"), the issuer of the above referenced Note (the "Note"), called the Public Hearing of the Issuer on Monday, February 21, 2022 to order at 10:00 a.m. CT via teleconference.

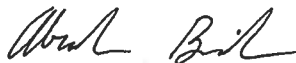
I declared that a Public Hearing, required under Section 147(f) of the Internal Revenue Code of 1986 was open for purposes of discussing the Note and the project to be financed, refinanced or constructed with the proceeds of the Note (the "Project") by S.P.J.S.T. Rest Home.

I declared that the required notice of the Public Hearing for the Project was published in the TAYLOR PRESS, being a newspaper of general circulation in the City of Taylor, Texas, as evidenced by an Affidavit of Publication attached hereto as Exhibit A.

I proceeded to hold the Public Hearing. Comments and discussions with respect to the Note and the Project are summarized in Exhibit B, attached hereto.

After sufficient time was given for all present to make their comments with respect to the Note and the Project, I declared the Public Hearing closed.

Dated: February 21, 2022



Abraham Benavides, Hearing Officer
HFDC of Central Texas, Inc.

EXHIBIT A

AFFIDAVIT OF PUBLICATION

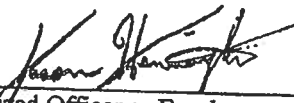
AFFIDAVIT OF PUBLICATION

THE STATE OF TEXAS
COUNTY OF WILLIAMSON
CITY OF TAYLOR

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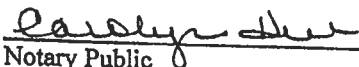
BEFORE ME, a notary public in and for the above named County, on this day personally appeared the person whose name is subscribed below, who, having been duly sworn, says upon oath that he or she is a duly authorized officer or employee of the TAYLOR PRESS, which is a newspaper of general circulation in the City of Taylor, Texas, devoting not less than 25% of its total column lineage to the carrying of items of general interest, published not less frequently than once each week, entered as second-class postal matter in the county where published, and having been published regularly and continuously for not less than 12 months prior to the making of any publication; and that a true and correct copy of the PUBLIC HEARING NOTICE, a clipping of which is attached to this Affidavit, was published in said Newspaper on the following date:

February 13, 2022



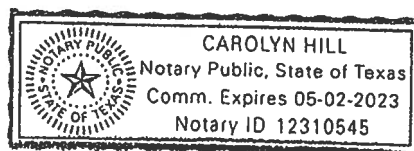
Authorized Officer or Employee

SUBSCRIBED AND SWORN TO BEFORE ME on the 14 day of February 2022.



Notary Public

NOTARY SEAL



NOTICE OF PUBLIC HEARING

Notice is hereby given of a public hearing to be held by HFDC of Central Texas, Inc. (the "Issuer") on Monday, February 21, 2022 at 10:00 a.m. CT via teleconference. Among items to be discussed will be certain modifications to the terms of a note (the "Note") previously issued by the Issuer in an aggregate principal amount not exceeding \$20,000,000, the proceeds of which were loaned to S.P.J.S.T. Rest Home, a Texas nonprofit corporation (the "Borrower").

The Borrower owns and operates a facility with skilled nursing beds and assisted living units located at 501 East Lake Drive and 505 East Lake Drive in Taylor, Texas (the "Taylor Campus").

The proceeds of the Note were loaned to the Borrower for the purposes of (a) refinancing certain tax-exempt bonds that were issued to pay a portion of the cost of adding 36 assisted living units to the Taylor Campus, (b) financing a portion of the cost of a replacement nursing facility with approximately 72 units and 96 beds on an approximately 15.729 acre site located on Old Granger Road in Taylor, Texas adjacent to the Taylor Campus (together with the Taylor Campus, the "Project"), (c) financing certain capital expenditures of the Project, (d) establishing a debt service reserve fund and (e) paying costs of issuance.

All interested parties are invited to express their views with respect to the Project and the Note by attending the public hearing to be held via teleconference, by dialing the following toll-free number 1-888-557-8511 (Passcode: 37886597). Any interested persons unable to attend the hearing may submit their views in writing to the Issuer c/o Abraham "Abu" Benavides, McCall, Parkhurst & Hooton L.L.P., 717 North Horwood, Suite 900, Dallas, Texas 75201, 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 interest on the Note. The public hearing will be held via teleconference in accordance with Revenue Procedure 2021-39 issued by the Internal Revenue Service due to the COVID-19 pandemic.

EXHIBIT B

No member of the public attended the Public Hearing, and thus no comments were made or discussion had about the Project or the Note.

EXHIBIT B

FORM OF CONSENT RESOLUTION

RESOLUTION APPROVING A NOTE ISSUED BY THE
HFDC OF CENTRAL TEXAS, INC.
FOR S.P.J.S.T REST HOME AND HEALTH FACILITIES LOCATED WITHIN
WILLIAMSON COUNTY, TEXAS

WHEREAS, the Health Facilities Development Act, Chapter 221, Texas Health and Safety Code (the "Act"), authorizes and empowers HFDC of Central Texas, Inc. (the "Issuer") to issue revenue bonds or notes on behalf of the City of Hubbard, Texas (the "Issuing Unit") to finance and refinance the costs of health facilities found by the Board of Directors of the Issuer to be required, necessary or convenient for health care, research and education, any one or more, within the State of Texas and in furtherance of the public purposes of the Act; and

WHEREAS, S.P.J.S.T. Rest Home (the "Borrower"), a Texas nonprofit corporation, owns and operates a facility with skilled nursing beds and assisted living units located at 501 East Lake Drive and 505 East Lake Drive in Taylor, Texas (the "Taylor Campus"); and

WHEREAS, pursuant to the Act, the Issuer previously issued its note (the "Note") in the aggregate principal amount not exceeding \$20,000,000, the proceeds of which were loaned to the Borrower and used to (a) refinance certain tax-exempt bonds, that were issued to pay a portion of the cost of adding 36 assisted living units to the Taylor Campus, (b) finance a portion of the cost of a replacement nursing facility with approximately 72 units and 96 beds on an approximately 15.729 acre site located on Old Granger Road in Taylor, Texas adjacent to the Taylor Campus (together with the Taylor Campus, the "Project"), (c) finance certain capital expenditures at the Project, (d) establish a debt service reserve fund and (e) pay costs of issuance; and

WHEREAS, the Project is located within Williamson County, Texas (the "County") and the County previously approved the Note and the Project on December 9, 2014; and

WHEREAS, the Borrower, the Issuer and the holder of the Note have proposed certain modifications to the terms of the Note;

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

Section 1. The County hereby approves the Note, as modified, and the Project for the purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended; provided that the County shall have no liability in connection with the Note or the financing of the Project and shall not be required to take any further action with respect thereto.

Section 2. This Resolution shall take effect immediately from and after its adoption and it is accordingly so ordered.

PASSED AND APPROVED, this the _____ day of _____.

County Judge