

**AN ORDINANCE**

**BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS  
APPROVING THE ISSUANCE OF REVENUE BONDS DESIGNATED AS "NEW  
HOPE CULTURAL EDUCATION FACILITIES FINANCE CORPORATION  
RETIREMENT FACILITY REVENUE BONDS (MORNINGSIDE MINISTRIES  
PROJECT) SERIES 2022" BY NEW HOPE CULTURAL EDUCATION  
FACILITIES FINANCE CORPORATION IN SATISFACTION OF THE  
REQUIREMENTS CONTAINED IN SECTION 147(f) OF THE INTERNAL  
REVENUE CODE OF 1986, AS AMENDED**

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**WHEREAS**, the Town of New Hope, Texas has, pursuant to Chapter 337, as amended, Texas Local Government Code, and to the extent applicable, Chapter 221, as amended, Texas Health and Safety Code (collectively, the "Act"), approved and created the New Hope Cultural Education Facilities Finance Corporation, a Texas nonprofit corporation (the "Issuer"); and

**WHEREAS**, the Issuer is empowered to issue revenue bonds to finance and refinance the costs of health facilities found by the Board of Directors of the Issuer (the "Board") 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**, the Issuer intends to issue its revenue bonds (the "Bonds") pursuant to the terms of the Act, to finance and refinance the costs of retirement facilities located at and known as Morningside at The Meadows, located at the 600 and 700 blocks of Babcock Road, San Antonio, Texas 78201 and Morningside at The Chandler Estate located at 1502 and 1510 Howard Street and 135 and 137 West French Place, San Antonio, Texas 78202 (collectively, the "Projects"), both in the City of San Antonio, Texas (the "City"), as further described in Exhibit A hereto, for the benefit of Morningside Ministries, a Texas nonprofit corporation exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 (the "Borrower"); and

**WHEREAS**, pursuant to section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer conducted a public hearing on November 29, 2021 (the "Hearing"), following reasonable public notice with respect to the Bonds and the Projects; and

**WHEREAS**, in order to satisfy the requirements of section 147(f) of the Code, it is necessary for the City Council or the Mayor of the City in which the Projects are located to approve the Bonds after the Hearing has been held, together with any other necessary elected official or governing body pursuant to the Code; and

**WHEREAS**, it is deemed necessary and advisable that this Ordinance be adopted; now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS  
THAT:**

**SECTION 1.** This Ordinance is adopted for the purposes of section 147(f) of the Code and the regulations promulgated thereunder.

**SECTION 2.** The Bonds, which will be issued in a maximum aggregate principal amount not to exceed \$68,000,000, and the Projects to be financed and refinanced with a portion of the proceeds of the Bonds and located within the City, are hereby approved pursuant to section 147(f) of the Code. \$35,500,000 of the maximum principal amount of the Bonds is allocated to the Projects, which are located within the City.

**SECTION 3.** The approvals herein given are in accordance with the provisions of section 147(f) of the Code, and are not to be construed as any undertaking by the City, and the Bonds shall never constitute an indebtedness or pledge of the City, or the State of Texas, within the meaning of any constitutional or statutory provision, and the holders of the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any part out of any funds raised or to be raised by taxation or any other revenues of the Issuer, the City, or the State of Texas, except those revenues assigned and pledged by the Issuer in the Indenture of Trust to be executed between the Issuer and U.S. Bank National Association in connection with the issuance of the Bonds.

**SECTION 4.** The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

**SECTION 5.** All resolutions or ordinances, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

**SECTION 6.** This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**SECTION 7.** If any section, paragraph, clause, or provision of this Ordinance shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance. In case any obligation of the Issuer authorized or established by this Ordinance or the Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

**SECTION 8.** The effective date of this Ordinance shall be governed by the provisions of Section 1-15 of the City Code of San Antonio, Texas. This Ordinance shall take effect immediately if passed by eight (8) affirmative votes; otherwise, this Ordinance shall take effect ten (10) days from the date of passage.

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MPH/RKN

\_\_\_/\_\_\_/22

Item No.

PASSED AND ADOPTED by an affirmative vote of \_\_\_\_\_ members of the City Council of the City of San Antonio, Texas, this the \_\_\_\_\_ day of January, 2022.

CITY OF SAN ANTONIO, TEXAS

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**M A Y O R**

Ron Nirenberg

**ATTEST:**

**APPROVED AS TO FORM:**

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Debbie Racca-Sittre  
Interim City Clerk

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Andrew Segovia, City Attorney  
City of San Antonio, Texas

EXHIBIT A  
to Ordinance

PROJECT DESCRIPTION

The proceeds of the Bonds will be loaned to the Borrower for the purposes of (i) financing and refinancing certain capital expenditures in the maximum amount of \$8,000,000 at retirement facilities known as Morningside at The Meadows, located at the 600 and 700 blocks of Babcock Road, San Antonio, Texas 78201 (the "Meadows Campus"), (ii) financing and refinancing certain capital expenditures in the maximum amount of \$10,000,000 at retirement facilities known as Morningside at Menger Springs, located at 1100 Grand Boulevard, Boerne, Texas 78006 (the "Menger Springs Campus"), (iii) refinancing obligations which were issued for the benefit of the Borrower (the "Prior Obligations"), (iv) establishing a debt service reserve fund and (v) paying costs of issuance. The proceeds of the Prior Obligations were used to finance and refinance retirement facilities for the Borrower located at (a) the Menger Springs Campus in the maximum amount of \$22,500,000; (b) the Meadows Campus in the maximum amount of \$22,500,000; and (c) Morningside at The Chandler Estate located at 1502 and 1510 Howard Street and 135 and 137 West French Place, San Antonio, Texas 78202 in the maximum amount of \$5,000,000 (collectively, the "Projects"). The Projects are owned and operated by the Borrower or affiliated entities.