

December 15, 2021

VIA EMAIL DELIVERY (1958.074)

Mr. Ben Thatcher  
City Manager  
City of Boerne  
PO Box 1677  
Boerne, Texas 78006

Re: Consent to financing by New Hope Cultural Education Facilities Finance Corporation for  
Morningside Ministries

Dear Mr. Thatcher:

New Hope Cultural Education Facilities Finance Corporation (the "Issuer") proposes, on behalf of the Town of New Hope, Texas, to issue its bonds or notes in a maximum principal amount of \$68,000,000 (the "Bonds") pursuant to the Cultural Education Facilities Finance Corporation Act, Chapter 337, Texas Local Government Code, as amended (the "Act") to provide funds to finance certain health facilities for Morningside Ministries (the "Borrower"), a Texas nonprofit corporation exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986. Our firm is acting as bond counsel to the Issuer in connection with the issuance of the Bonds.

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.

Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") requires that the approval of the City of Boerne (or the highest elected official of the City of Boerne) be obtained to the financing by the Issuer after the holding of a public hearing. A public hearing was held on November 29, 2021 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 requirements of the Code and to enable the Issuer to proceed with the proposed financing of the Project with Bond proceeds. **This approval in no way imposes any payment or other obligations on the City of Boerne in connection with the financing. The City of Boerne will have no liability with respect to the proposed Bonds.**

Therefore, on behalf of the Issuer and the Borrower, we respectfully request that consideration of adoption of the enclosed resolution be placed on the agenda of the City Council of Boerne, Texas at its next available meeting, and that the City Council approve and adopt such resolution. Upon such approval, I would also very much appreciate 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,

McCall, Parkhurst & Horton L.L.P.

Abraham "Abe" Benavides

AAB:bc  
Enclosures

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

EXHIBIT A

MINUTES OF PUBLIC HEARING

MINUTES OF PUBLIC HEARING  
New Hope Cultural Education Facilities Finance Corporation

Re: New Hope Cultural Education Facilities Finance Corporation Retirement Facility Revenue Bonds (Morningside Ministries Project) Series 2022

The undersigned, Abraham Benavides, designated Hearing Officer of New Hope Cultural Education Facilities Finance Corporation (the "Issuer"), the Issuer of the above referenced Bonds (the "Bonds"), called the Public Hearing of the Issuer held on Monday, November 29, 2021 to order at 10:30 a.m. via teleconference.

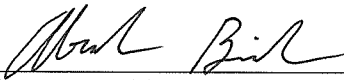
I declared that a Public Hearing, required under section 147(f) of the Internal Revenue Code of 1986 was open for purposes of discussing the Bonds and the project to be financed, refinanced or constructed with the proceeds of the Bonds (the "Project") by Morningside Ministries.

I declared that the required notice of the Public Hearing for the Project was published in the SAN ANTONIO EXPRESS-NEWS, being a newspaper of general circulation in the City of San Antonio and Bexar County, Texas, as evidenced by an Affidavit of Publication attached hereto as Exhibit A.

I proceeded to hold the Public Hearing. No member of the public joined the teleconference for the Public Hearing and thus no comments were made or discussed about the Project or the Bonds.

After sufficient time was given for all present to make their comments with respect to the Bonds and the Project, I declared the Public Hearing closed at 10:45 a.m. via teleconference.

Dated: November 29, 2021

  
\_\_\_\_\_  
Abraham Benavides, Hearing Officer  
New Hope Cultural Education Facilities  
Finance Corporation

## EXHIBIT A

# HEARST

## MEDIA SOLUTIONS


San Antonio Express News | ExpressNews.com | mySA.com

### SAN ANTONIO EXPRESS - NEWS AFFIDAVIT OF PUBLICATION

STATE OF TEXAS:  
COUNTY OF BEXAR

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared: Geena Garza, who after being duly sworn, says that she is the Bookkeeper of HEARST NEWSPAPERS, LLC - dba: SAN ANTONIO EXPRESS - NEWS, a newspaper published in Bexar County, Texas and that the publication, of which the annexed is a true copy, was published to wit:

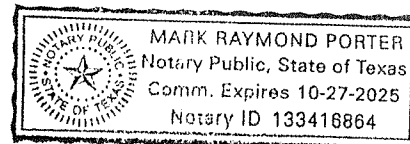
Customer ID	Customer	Order ID	Publication	Pub Date
20000805	MCCALL, PARKHURST & HORTON	34164902	SAE Express-News	11/21/21

  
Geena Garza  
Bookkeeper

Sworn and subscribed to before me, this 23rd day of NOV. A.D. 2021

Notary public in and for the State of Texas





### NOTICE OF PUBLIC HEARING NEW HOPE CULTURAL EDUCATION FACILITIES FINANCE CORPORATION

Notice is hereby given of a public hearing to be held by the New Hope Cultural Education Facilities Finance Corporation (the "Issuer") on Monday, November 29, 2021, at 10:30 a.m. via teleconference, with respect to the issuance by the Issuer of its revenue bonds (the "Bonds") in one or more series pursuant to a plan of financing in an aggregate principal amount not to exceed \$68,000,000, the proceeds of which will be loaned to Morningside Ministries, a Texas nonprofit corporation (the "Borrower").

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.

All interested parties are invited to express their views with respect to the Projects and the Bonds by attending the public hearing to be held via teleconference, by dialing the following toll-free number: 1-888-557-8511 (Passcode: 3788659#). Any interested persons unable to attend the hearing may submit their views in writing to the Issuer c/o Abraham "Abc" Benavides, McCall, Parkhurst & Horton L.L.P., 717 North Harwood, 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 Bonds. 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

FORM OF PROPOSED RESOLUTION

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION APPROVING THE FINANCING BY THE NEW HOPE  
CULTURAL EDUCATION FACILITIES FINANCE CORPORATION ON  
BEHALF OF MORNINGSIDE MINISTRIES FOR A HEALTH FACILITY  
LOCATED WITHIN THE CITY OF BOERNE, TEXAS**

**WHEREAS**, the Cultural Education Facilities Finance Corporation Act, Chapter 337, Texas Local Government Code, as amended (the "Act"), authorizes and empowers New Hope Cultural Education Facilities Finance Corporation (the "Issuer") to issue revenue bonds on behalf of the Town of New Hope, Texas (the "Issuing Unit") to finance 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**, Morningside Ministries (the "Borrower"), a Texas nonprofit corporation exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), proposes to obtain financing from the Issuer from the proceeds of one or more series of the Issuer's bonds or notes in a maximum principal amount not to exceed \$68,000,000 (the "Bonds") and will use a portion of the proceeds of the Bonds to finance and refinance the cost of certain retirement facilities, including the retirement facility known as Morningside at Menger Springs, located at 1100 Grand Boulevard, Boerne, Texas (the "Project"); and

**WHEREAS**, the Project is located within the City of Boerne, Texas (the "City") and outside the limits of the Issuing Unit; and

**WHEREAS**, pursuant to section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") the Issuer has caused to be published a notice of public hearing (the "TEFRA Notice") with respect to the issuance of the Bonds and the financing of the Project, and held such a hearing after reasonable notice on November 29, 2021 (the "TEFRA Hearing"); and

**WHEREAS**, pursuant to the provisions of section 147(f) of the Code, the City Council of the City of Boerne, Texas, after the TEFRA Hearing, must approve issuance of the Bonds by the Issuer to enable the Bonds to qualify as tax-exempt obligations under the Code;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BOERNE, TEXAS THAT:**

Section 1. The City Council, solely for purposes of section 147(f) of the Code, hereby approves the issuance of the Bonds and the Project; provided that the City shall have no liability in connection with the financing of the Project and shall not be required to take any further action with respect thereto.

Section 2. The foregoing approval is given in accordance with the provisions of section 147(f) of the Code and for no other purposes and is not to be construed as an undertaking by the City of Boerne, Texas. The Bonds shall not constitute a liability, indebtedness, or an obligation of the City of Boerne, Texas nor shall any of the assets of the City of Boerne, Texas be pledged to the payment of the Bonds.

Section 3. This Resolution shall take effect immediately from and after its adoption and it is accordingly so ordered.



PASSED AND APPROVED, this the \_\_\_\_\_ day of \_\_\_\_\_, 2022.

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Secretary