

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE
OR RESOLUTION ADOPTED BY THE CITY COUNCIL.**

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 2019" 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**

* * * * *

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 health facilities and/or facilities incidental, subordinate, or related thereto or appropriate in connection therewith as described in **Exhibit A** hereto (the "Project"), for the benefit of Morningside Ministries (the "Borrower"); and

WHEREAS, pursuant to section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), Morningside Ministries conducted a public hearing on October 9, 2019 (the "Hearing") on behalf of the Issuer, following reasonable public notice with respect to the Bonds and the Project in the City of San Antonio, Texas (the "City"); 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 Project is 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

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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:

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 \$130,000,000 to finance and refinance the costs associated with the Project and to pay certain costs of issuance of the Bonds, are hereby approved pursuant to section 147(f) of the Code.

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.

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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.

PASSED AND ADOPTED by an affirmative vote of _____ members of the City Council of the City of San Antonio, Texas, this the ____ day of _____, 2019.

CITY OF SAN ANTONIO, TEXAS

M A Y O R
Ron Nirenberg

ATTEST:

City Clerk

I, the undersigned, City Attorney of the City of San Antonio, Texas, hereby certify that I read, passed upon, and approved as to form the foregoing Ordinance prior to its adoption and passage as aforesaid.

Andrew Segovia, City Attorney
City of San Antonio, Texas

EXHIBIT A

PROJECT

The proceeds of the Bonds will be loaned to the Borrower for the purposes of (i) refinancing of the New Hope Cultural Education Facilities Finance Corporation First Mortgage Revenue Bonds (Morningside Ministries Project) Series 2013 (the "Series 2013 Bonds") and the New Hope Cultural Education Facilities Finance Corporation Promissory Note (Morningside Ministries Project) Series 2014 (the "Series 2014 Note"), each of which were issued for the benefit of the Borrower, (ii) financing certain capital expenditures in the maximum amount of \$10,000,000 at retirement facilities known as Morningside Ministries at the Meadows, located at the 600 and 700 blocks of Babcock Road, San Antonio, Texas 78201 (the "Meadows Campus"), (iii) establishing a debt service reserve fund and (iv) paying costs of issuance. The proceeds of the Series 2013 Bonds and the Series 2014 Note were used to finance and refinance retirement facilities for the Borrower located at (a) Morningside Ministries at Menger Springs, 1100 Grand Boulevard, Boerne, Texas 78006 in the aggregate amount of \$85,000,000; (b) the Meadows Campus in the aggregate amount of \$30,000,000; and (c) Morningside Ministries at the Chandler Estate located at 1502 and 1510 Howard Street and 135 and 137 West French Place, San Antonio, Texas 78202 in the aggregate amount of \$5,000,000 (the "Prior Projects"). The Prior Projects are owned and operated by the Borrower.