

LAW OFFICES

MCCALL, PARKHURST & HORTON L.L.P.

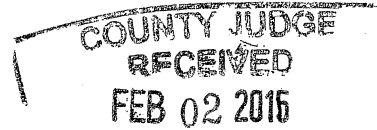
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SUITE 1800
AUSTIN, TEXAS 78701-3248
TELEPHONE: 512 478-3805
FACSIMILE: 512 472-0871

717 NORTH HARWOOD
SUITE 900
DALLAS, TEXAS 75201-6587
TELEPHONE: 214 754-9200
FACSIMILE: 214 754-9250

700 N. ST. MARY'S STREET
SUITE 1525
SAN ANTONIO, TEXAS 78205-3503
TELEPHONE: 210 225-2800
FACSIMILE: 210 225-2984

February 1, 2016

The Honorable County Judge
and Commissioners Court of Fort Bend County
301 Jackson Street
Suite 719
Richmond, Texas 77469



Re: Consent to financing by New Hope Cultural Education Facilities Finance Corporation for Cardinal Bay, Inc.

Ladies and Gentlemen:

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 \$250,000,000 (the "Bonds") pursuant to the Cultural Education Facilities Finance Corporation Act, 1528m, V.A.T.C.S. (the "Act") to provide funds to finance certain health facilities for Cardinal Bay, Inc., a Texas nonprofit corporation and 501(c)(3) organization (the "Borrower"). The Borrower is acquiring eight senior assisted living facilities, one of which is located in Fort Bend County. The proceeds of the Bonds will be used for (a) financing the cost of acquiring the eight senior living facilities, (b) financing certain capital expenditures, (c) establishing a debt service reserve fund and (d) paying costs of issuance. Our firm is acting as bond counsel to the Issuer in connection with the issuance of the Bonds.

The facility in Fort Bend County is located at 1400 Katy-Flewellen Road, Katy, Texas 77494 (the "Project").

Because the Project is located in Fort Bend County, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") requires that the approval of Fort Bend County (or the highest elected official of Fort Bend County) be obtained to the financing by the Issuer after the holding of a public hearing. A public hearing was held on January 28, 2016 and a copy of the minutes of the public hearing is enclosed. No member of the public attended.

For your convenience, I have enclosed a proposed form of a consent resolution with the description of the Project included.

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 consent in no way imposes any payment or other obligations on Fort Bend County in connection with the financing. Fort Bend County will have no liability with respect to the proposed Bonds.

Therefore, on behalf of the Issuer and Cardinal Bay, Inc. we respectfully request that consideration of adoption of the enclosed consent resolution be placed on the agenda for the next available meeting of Fort Bend 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 return three completed, originally executed and sealed certified resolutions to me in the self-addressed, stamped envelope enclosed for your convenience. Please retain one copy for your file.

Please do not hesitate to contact me at (214) 754-9233 should you have any questions or comments. Thank you very much for your cooperation and assistance.

Sincerely yours,

McCall, Parkhurst & Horton L.L.P.

A handwritten signature in black ink, appearing to read "Ted Brizzolara, III". The signature is written in a cursive, flowing style.

L. E. (Ted) Brizzolara, III

LEB:bc
Enclosures

cc: Mr. Lloyd R. Kitchen, Jr. (via email)
Ms. Cheryl O'Donnell Guth (via email)

RESOLUTION GIVING APPROVAL TO A PROJECT
FOR CARDINAL BAY, INC.

WHEREAS, the New Hope Cultural Education Facilities Finance Corporation (the "Issuer") is empowered pursuant to the Cultural Education Facilities Finance Corporation Act, Art. 1528m, V.A.T.C.S., as amended (the "Act"), to sell and deliver bonds for the purpose of financing and refinancing the cost of health facilities, as defined in the Health Facilities Development Act, Chapter 221, Texas Health and Safety Code; and

WHEREAS, Cardinal Bay, Inc., a Texas nonprofit corporation and 501(c)(3) organization (the "Borrower"), 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 of \$250,000,000 (the "Bonds") to finance the acquisition of eight senior living facilities, with one of the facilities being in Fort Bend County located at 1400 Katy-Flewellen Road, Katy, Texas 77494 (the "Project"); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the Issuer has caused to be published a notice of a public hearing (the "TEFRA Notice") with respect to the issuance of the Bonds and the financing and refinancing of the Project, and held such a hearing at the Project after reasonable notice, at 9:00 a.m. on January 28, 2016 (the "TEFRA Hearing"); and

WHEREAS, pursuant to the provisions of Section 147(f) of the Code, the Commissioners Court of Fort Bend County, 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 COMMISSIONERS COURT OF FORT BEND COUNTY, TEXAS:

Section 1. The Commissioners Court, solely for the purposes of Section 147(f) of the Code, hereby approves the proposed issuance of the Bonds by the Issuer for the benefit of the Borrower, in an amount not to exceed \$250,000,000.

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 Fort Bend County, Texas. The Bonds shall not constitute a liability, indebtedness, or an obligation of Fort Bend County, Texas nor shall any of the assets of Fort Bend County, Texas be pledged to the payment of the Bonds.

Section 3. This resolution shall take effect immediately from and after its passage and it is accordingly so resolved.

PASSED AND APPROVED, this _____, 2016.

County Judge

MINUTES OF PUBLIC HEARING
New Hope Cultural Education Facilities Finance Corporation

Re: New Hope Cultural Education Facilities Finance Corporation Senior Living Revenue Bonds (Cardinal Bay, Inc. – Bridgewood Project) Series 2016 (the “Bonds”)

The undersigned, Hoang Vu, 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 on January 28, 2016 to order.


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 Cardinal Bay, Inc.

I declared that the required notice of the Public Hearing for the Project was published in the HOUSTON CHRONICLE, being a newspaper of general circulation in the City of Houston, 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 Bonds 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 Bonds and the Project, I declared the Public Hearing closed.

Dated: January 28, 2016



Hoang Vu, Hearing Officer
New Hope Cultural Education Facilities
Finance Corporation

EXHIBIT A

AFFIDAVIT OF PUBLICATION

AFFIDAVIT OF PUBLICATION

THE STATE OF TEXAS
COUNTY OF HARRIS
CITY OF HOUSTON

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 HOUSTON CHRONICLE, which is a newspaper of general circulation in the City of Houston, 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 NOTICE OF PUBLIC HEARING, a clipping of which is attached to this Affidavit, was published in said Newspaper on the following date:

AD# 104721 Acct# 062078122

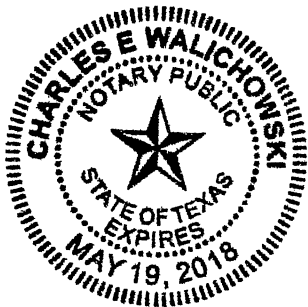
JANUARY 13, 2016

Edward Silva
Authorized Officer or Employee

SUBSCRIBED AND SWORN TO BEFORE ME on the 14 day of JANUARY, 2016.

Charles E. Walichowski
Notary Public

NOTARY SEAL



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 Thursday, January 28, 2016 at 9:00 a.m. at the offices of McGuire Woods LLP, 600 Travis Street, Suite 7500, Houston, Texas 77002, with respect to the issuance by the Issuer of one or more series of bonds or notes (the "Bonds") pursuant to a plan of financing in an aggregate principal amount not to exceed \$250,000,000, the proceeds of which will be loaned to Cardinal Bay, Inc., a Texas non-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Borrower").

The proceeds of the Bonds will be loaned to the Borrower for the purposes, among others, of (a) financing the cost of acquiring eight senior living facilities (the "Project"), (b) financing certain capital expenditures and startup expenses at the Project, (c) establishing a debt service reserve fund and (d) paying costs of issuance.

The Project will consist of the following eight senior living facilities:

Carriage Inn - Bryan. An approximately 80,000 square foot senior living facility currently consisting of 60 independent living units, 30 assisted living units and related common areas located on approximately 6.13 acres at 4325 Boonville Road, Bryan, Texas 77802.

Carriage Inn - Conroe. An approximately 70,000 square foot senior living facility currently consisting of 91 independent living units and related common areas located on approximately 6.57 acres of land at 750 Longmire Road, Conroe, Texas 77304.

Carriage Inn - Huntsville. An approximately 70,000 square foot senior living facility currently consisting of 63 independent living units, 18 assisted living units and related common areas located on approximately 5 acres of land at 2805 Lake Road, Huntsville, Texas 77340.

Carriage Inn - Katy. An approximately 105,900 square foot senior living facility currently consisting of 104 independent living units, 22 assisted living units, 20 memory care units and related common areas located on approximately 9.86 acres at 1400 Katy-Flewellen Road, Katy, Texas 77494.

Carriage Inn - Lake Jackson. An approximately 79,000 square foot senior living facility currently consisting of 55 independent living units, 47 assisted living units and related common areas located on approximately 5 acres at 130 Lake Road, Lake Jackson, Texas 77566.

Village on the Park - Friendswood. An approximately 130,500 square foot senior living facility currently consisting of 158 independent living units and related common areas located on approximately 13.23 acres at 400 East Parkwood Drive, Friendswood, Texas 77546.

Village on the Park - Houston. An approximately 174,300 square foot senior living facility currently consisting of 143 independent living units, 20 assisted living units, 20 memory care units and related common areas located on approximately 15.74 acres at 12102 Steepleway Boulevard, Houston, Texas 77065.

Village on the Park - Oklahoma City. An approximately 147,400 square foot senior living facility currently consisting of 148 independent living units, 19 assisted living units, 21 memory care units and related common areas located on approximately 11.92 acres at 1515 Kingsridge Drive, Oklahoma City, Oklahoma 73170.

All interested parties are invited to attend such public hearing to express their views with respect to the Project and the Bonds. Any interested persons unable to attend the hearing may submit their views in writing at the address above 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.

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 Bonds.