

CERTIFICATE OF PUBLIC HEARING

I, the undersigned, do hereby make and execute this certificate for the benefit of all persons interested in Colorado Health Authority's Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project), Series 2006 (the "Bonds") now in the process of issuance.

I hereby certify as follows:

1. That a public hearing was held before the City Council of the City of El Paso as part of its regular Council meeting on September 26, 2006 starting at 9:00 A.M. at the City Council Chambers, 2 Civic Center Plaza, El Paso, Texas, in connection with the issuance of the Bonds;

2. That notice of the public hearing was published no less than 14 days before the date of the public hearing in a newspaper of general circulation available to residents of El Paso, Texas; the notice included the date, time and place of the public hearing, the location, general nature and the initial owner, operator or manager of the project described therein (the "Project") and the maximum aggregate principal amount of the Bonds;

3. That all interested persons appearing at the public hearing were given an opportunity to comment on the proposed issuance of the Bonds and the Project. The names of all interested persons appearing at the public hearing, if any, are set forth in Exhibit "A," attached hereto;

4. That after giving all interested persons an opportunity to appear and comment the public hearing was declared closed.

5. That a copy of the Affidavit of Publication of the Notice of Public Hearing is attached hereto as Exhibit "B";

6. That a copy of the Minutes of Public Hearing is attached hereto as Exhibit "C."

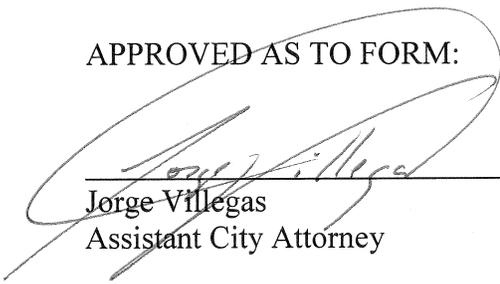
WITNESS MY HAND this _ day of September, 2006.

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Jorge Villegas
Assistant City Attorney

APPROVED AS TO CONTENT:

Norman J. Gordon
Issuer's Counsel

Names of all Interested Persons

Representing the Issuer

Interested Persons Addressing Hearing

Norman J. Gordon

'06 SEP 22 AIO :28

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MEMORANDUM

TO: Mayor John F. Cook
City Representatives

FROM: Norman Gordon, El Paso Housing Finance Corporation

RE: September 26, 2006 - City Council Agenda
Agenda Item - Additions
Colorado Health Facilities Corporation Public Hearing and Resolution

DATE: September 22, 2006

There is an item on the agenda for September 26 Council Meeting for a public hearing and approval of a bond issue by the Colorado Health Facilities Authority. The project involved is the Evangelical Good Samaritan White Acres facility in El Paso. This facility was refinanced with similar bonds from the Colorado Health Facilities Corporation in 2000. The purpose of this bond issue is to refund those bonds. The public hearing is required to comply with the Internal Revenue Code requirements for certain forms of tax exempt bonds. The bonds, when issued will be only an obligation of the Colorado Health Facilities Authority. They will not be an obligation directly or indirectly of the City of El Paso or any of its agencies.

At the public hearing a local representative of the White Acres facility will be present, as will I to answer any questions. The request letter from the Colorado organization is attached to this memo. If you have any questions please do not hesitate to contact me.

cc: Joyce Wilson, City Manager
Jorge Villegas, Assistant City Attorney

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Septemeber 21, 2005

Mayor John Cook and
City Representatives
El Paso, Texas 79901

Colorado Health Facilities Authority
Health Facilities Revenue Bonds
(The Evangelical Lutheran Good Samaritan Society Project)

Dear Mayor John Cook and City Representatives:

We respectfully request that the Mayor of El Paso approve the issuance by the Colorado Health Facilities Authority ("COHFA") of Health Facilities Revenue Bonds (the "Bonds") on behalf of The Evangelical Lutheran Good Samaritan Society (the "Society"). We have requested the assistance of Norman Gordon, Esq., of Mounce, Green, Myers, Safi & Galatzon, P.C., in the facilitation of a public hearing required pursuant to tax law, prior to approval, during which individuals will be given the opportunity to express their views for or against the issuance of the Bonds. We are requesting the public hearing be held by the City Council and that a certificate of approval be executed by the Mayor. Mr. Gordon will provide a form of this approving certificate.

The Evangelical Lutheran Good Samaritan Society (the "Society") is a non-profit corporation founded in 1922 under the laws of the State of North Dakota. The Society is engaged primarily in owning and operating nursing homes and residential facilities for the elderly. The residential facilities are generally operated in conjunction with nursing home facilities at the same location. Revenues from nursing home operations constitute the primary source of the Society's operating revenues. The Society owns and operates nursing homes and residential facilities at approximately 194 locations, manages approximately 13 nursing homes and residential facilities in which the Society has partial ownership, and manages approximately 17 and leases four nursing homes and residential facilities owned by others, in 25 states. COHFA anticipates issuing revenue bonds in October 2006 in the approximate amount of \$95,000,000 on behalf of the Society. COHFA, an agency of the state of Colorado, is the sole issuer of the Bonds, which will finance approximately 18 projects in 8 different states. This financing is being done on a multi-state basis because the 18 projects are all relatively small. By financing the projects as a single large issuance, the Society is able to increase efficiency

by saving governmental efforts, avoiding unnecessary transactional costs, and generally invoking the economies of scale principle.

This bond issuance does not represent an obligation to pay the bonds on the part of any government entity. The bonds will not constitute a general obligation or indebtedness of any state, municipality or any political subdivision. Rather, the Society alone is obligated to pay the bonds as its general corporate obligation. The Society's debt is rated A3 by Moody's Investors Service and A- by Standard and Poor's Rating Services, a division of The McGraw Hill Companies, Inc.

The legal requirement for the City's approval of the bonds being issued by COHFA is contained in Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). Section 147(f)(2)(A) provides that for a bond issued by a political subdivision on behalf of a private entity like the Society to be tax-exempt such bond must be approved by

"(i) the governmental unit-

(I) which issued such bond, or

(II) on behalf of which such bond was issued, and

(ii) each governmental unit having jurisdiction over the area in which the facility, with respect to which financing is to be provided from the net proceeds of such issue, is located (except that if more than 1 governmental unit within a State has jurisdiction over the entire area within such State in which such facility is located, only 1 such unit need approve such issue)."

Section 147(f)(2)(A)(i) is generally referred to as the "issuer" approval and Section 147(f)(2)(A)(ii) is generally referred to as the "host" approval, and both must be obtained. The public hearing and approval process is to give citizens a voice in the bond issuing process, both the citizens of the issuer and, if different, the citizens within the area where the project is located.

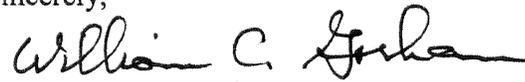
Obviously, when the City of El Paso (the "City") issues its own bonds on behalf of a private borrower, it provides the "issuer" approval as the issuer of the bonds and the "host" approval as the governmental unit which contains the proposed project; both of which are generally done with a single hearing and approval by the City. However, in our current transaction, the Society is saving costs by having a single issuer issue the Bonds for projects in several different states. Since COHFA issues bonds as an agency of the State of Colorado, COHFA obtains the approval of the Governor of the State of Colorado for its bonds. But since this project is located in the City, the Governor of the State of Colorado can only give the "issuer" approval, but cannot give the "host" approval. To obtain "host" approval for a project located outside of the State of Colorado, COHFA must obtain the "host" approval from a governmental unit which contains the proposed project. Since the project in question (see below) is located within the jurisdiction of the City of El Paso, Texas, the Society is respectively requesting the City to provide the "host" approval for that project.

A portion of the Bond proceeds under this plan of finance, will be used to refund a portion of the presently outstanding Colorado Health Facilities Authority's Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project), Series 2000 (the "2000 Bonds"), which was used to finance the acquisition, construction, improvement and equipping of a 24 unit assisted living and an outpatient addition at the White Acres Good Samaritan Retirement Village, located at 7304 Good Samaritan Court, El Paso, TX 79912, (the "Project").

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Please call Mr. Bill Gorham or Ms. Bobbie Patton if you have any additional questions at (303) 297-2400. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink that reads "William C. Gorham". The signature is written in a cursive style with a large, prominent "W" and "G".

William C, Gorham, Esq.

cc: City Manager Joyce Wilson