RESOLUTION

WHEREAS, in 2000, the Colorado Health Facilities Authority issued revenue Bonds to refinance the Evangelical Lutheran Goods Samaritan Society White Acres Good Samaritan Village in El Paso, Texas (the "***Project***");

WHEREAS, the Evangelical Lutheran Good Samaritan Society (the "***Society***") desires to refinance the Project with bonds to be issued by the Colorado Health Facilities Authority (the "***Issuer***");

WHEREAS, the Issuer has conducted and held a public hearing regarding issuance of the Bonds on September 26, 2006, at 9:00 a.m., pursuant to the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended;

WHEREAS, the City approves and encourages the Issuer in its efforts to accomplish the issuance of the Bonds and, as part of such transaction, is willing to provide a Certificate For Resolution and Certificate Of Public Hearing concerning the conduct of the Public Hearing on September 26, 2006, copies of which are both attached hereto as Exhibits to this Resolution and made a part hereof for all purposes.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

1. THAT the Preambles to this Resolution set forth above are incorporated herein and made part of this Resolution.

2. THAT the Mayor and the City Clerk of the City of El Paso and the other officers of the City are hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or papers necessary and advisable to carry out the intent and purposes of this Resolution and the issuance of the Bonds.

(Signature page to follow)

06 SEP 21 P5:14

(Signature Page)

SIGNED this _____ day of _____, 2006.

CITY OF EL PASO

_____
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

06 SEP 21 P5:14

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS '
'
COUNTY OF EL PASO '

I, the undersigned, City Clerk of the City of El Paso, Texas (the "City"), do hereby certify as follows:

1. The City Council (the "Governing Body") of the City convened in regular session at its designated meeting place in El Paso, Texas, on September 26, 2006 (the "Meeting"), and the roll was called of the duly constituted members of the Governing Body, to-wit:

John F. Cook, Mayor	Ann Morgan Lilly)	
Presi Ortega, Jr., Mayor Pro Tem	Susannah M. Byrd)	
	J. Alexandro Lozano)	
	Melina Castro)	Councilmembers
	Eddie Holguin, Jr.)	
	Steve Ortega)	
	Beto O'Rourke)	

All of said persons were present, except the following absentees: _____, thus constituting a quorum. Whereupon a written:

RESOLUTION APPROVING THE ISSUANCE OF COLORADO HEALTH FACILITIES AUTHORITY REVENUE BONDS TO REFINANCE A PORTION OF THE EVANGELICAL LUTHERAN GOODS SAMARITAN SOCIETY WHITE ACRES GOOD SAMARITAN VILLAGE, PROJECT IN EL PASO, TEXAS

(the "Resolution") was duly moved and seconded and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried with all those present voted "Aye"

2. A true, full, and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Resolution has been duly recorded in the minutes of said Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to the adoption of said Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Governing Body; each of such members was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting and that said Resolution would be introduced and considered for adoption at said Meeting; and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, all as required by Chapter 551, Texas Government Code.

06 SEP 21 PM 2:14

SIGNED AND SEALED this _____day of September, 2006.

_____
City Clerk

(SEAL)

06 SEP 21 P5:14

'06 SEP 22 A10 :28

MOUNCE, GREEN, MYERS,
SAFI & GALATZAN
A PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW
100 N. STANTON, SUITE 1700
EL PASO, TEXAS 79901-1448
(915) 532-2000

NORMAN J. GORDON
BOARD CERTIFIED - CIVIL TRIAL LAW
Texas Board of Legal Specialization

MAILING ADDRESS:
P.O. BOX 1977
EL PASO, TEXAS 79950-1977
DIRECT LINE (915) 541-1552
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gordon@mgmsg.com

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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'06 SEP 22 A10 :28

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

'06 SEP 22 AM 10:28

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").

'06 SEP 22 A10 :28

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,

William C. Gorham

William C, Gorham, Esq.

cc: City Manager Joyce Wilson