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June 29, 2017

Mr. Aaron Leal
Interim City Attorney
City of Denton
215 E. McKinney St.
Denton, Texas 76201

RE: City of Denton, Texas Liability for Approval of Tax-Exempt Bonds for The
Evangelical Lutheran Good Samaritan Society

Dear Mr. Leal:

The Colorado Health Facilities Authority (the "*Colorado Authority*") has requested that the City of Denton, Texas (the "*City*") provide "host approval" under Section 147(f) of the Internal Revenue Code of 1986, as amended in connection with the issuance of tax-exempt health facility revenue bonds (the "*Bonds*") pursuant to Article 25, Title 25 of Colorado Revised Statutes on behalf of The Evangelical Lutheran Good Samaritan Society, a North Dakota non-profit corporation, headquartered in Sioux Falls, South Dakota (the "*Society*"). We understand that, under this plan of finance, the Bonds will be issued in an aggregate principal amount not to exceed \$105,750,000, of which a not-to-exceed amount of \$5,100,000 is to be used as follows: (i) \$2,400,000 to finance or refinance the Society's senior living and senior care facility located at Good Samaritan Society-Lake Forest Village, 3901 Montecito Drive, Denton, Texas, 76201 (the "*Lake Forest Village Facility*"), and (ii) \$2,700,000 to finance or refinance the Society's senior living and senior care facility located at Good Samaritan Society-Denton Village, 2500 Hinkle Drive, Denton, Texas, 76201 (the "*Denton Village Facility*" and, together with the Lake Forest Village Facility, the "*Denton, Texas Facilities*"), (iii) establish a reserve fund for the Bonds, and (iv) pay certain costs of issuing the Bonds and of financing the Denton, Texas Facilities. We also understand that the remainder of the proceeds of the Bonds will be used to finance and refinance facilities of the Society in various locations outside of the City, and fund a reserve fund for the Bonds and costs of issuing the Bonds.

City staff has asked whether the City will incur any liability for the Bonds if the City approves the issuance of the Bonds as described above. The Bonds are not obligations of the City and the City is not liable for the payment of the principal of or interest on the Bonds.

Mr. Aaron Leal

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This letter is not intended for the benefit of any person or entity other than the City, and no party other than the City is entitled to rely upon it for any purposes whatsoever without our prior written consent.

Sincerely yours,

McCall, Parkhurst & Horton L.L.P.

By:



Gregory C. Schaecher