

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING THE ISSUANCE OF REVENUE BONDS BY THE COLORADO HEALTH FACILITIES AUTHORITY ON BEHALF OF THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,100,000; RECOGNIZING THAT THE CITY OF DENTON IS NOT RESPONSIBLE FOR ISSUING THE REVENUE BONDS AND HAS NO FINANCIAL OBLIGATION TO PAY ANY PRINCIPAL OF OR INTEREST ON THE REVENUE BONDS; MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Denton, Texas (the “City”) is a duly organized and validly existing municipal corporation under the laws and Constitution of the State of Texas; and

WHEREAS, The Evangelical Lutheran Good Samaritan Society (the “Society”), a North Dakota nonprofit corporation, owns and operates two long-term healthcare facilities, including related senior housing facilities, within the boundaries of the City; and

WHEREAS, the Society wishes to issue revenue bonds (the “Bonds”) in an aggregate principal amount not to exceed approximately \$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 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 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 (collectively, the “Project”); and

WHEREAS, the Society has proposed that the moneys to fund the Project come from the proceeds of the Bonds to be issued by the Colorado Health Facilities Authority (the “COHFA”) in a multi-state offering authorized by Colorado state law; and

WHEREAS, such multi-state offering is economically efficient and cost-saving for the Society, thereby reducing operating costs for the Society and therefore tending to reduce the necessity for increases of charges at its Denton, Texas Facilities, thereby benefiting the residents of the City; and

WHEREAS, the Bonds will be payable solely from revenues of the Society, and the City will have no obligation whatsoever for payment of the Bonds; and

WHEREAS, as a prerequisite for the issuance of the Bonds by COHFA, a public hearing was held within the City at the Lake Forest Village Facility, on July 10, 2017 after publication in the *Denton Record-Chronicle* of a Notice of Public Hearing (the “Lake Forest Village Notice”), and a report on the hearing has been presented to the City Council; and

WHEREAS, as a prerequisite for the issuance of the Bonds by COHFA, a public hearing was held within the City at the Denton Village Facility, on July 10, 2017 after publication in the *Denton Record-Chronicle* of a Notice of Public Hearing (the “Denton Village Notice” and, together with the Lake Forest Village Notice, the “Notices”), and a report on the hearing has been presented to the City Council.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

**Section 1.** The findings set forth in the preamble of this Resolution are incorporated by reference into the body of this Resolution as if fully set forth herein.

**Section 2.** The City hereby approves the issuance of the aforesaid Bonds by COHFA in the maximum aggregate principal amount of \$5,100,000 for The Evangelical Lutheran Good Samaritan Society, and further approves the Project as described in the Notices relating to the public hearings for the Bonds, and such approval shall be solely for the purposes of Section 147(f) of the Internal Revenue Code of 1986 and the City shall have no liabilities for the payment of the Bonds nor shall any of its assets be pledged to payment of the Bonds.

**Section 3.** Further, it is recognized by the City that the instruments which authorize the issuance of bonds, notes or obligations by COHFA will specifically state that the City is not obligated to pay the principal of or interest on the bonds, notes or obligations proposed to be issued by COHFA. Nothing in this resolution shall be construed as an indication by the City that it will pay or provide for the payment of any obligations of COHFA whether theretofore or hereafter incurred; and in this connection, attention is called to the Constitution of the State of Texas, wherein it is provided that a City may incur no indebtedness without having made provisions for its payment, and the City Council of the City hereby specifically refuses to set aside any present or future funds, assets or money for the payment of any indebtedness or obligation of COHFA.

**Section 4.** This Resolution shall become effective immediately, upon its passage.

PASSED AND APPROVED this 18th day of July, 2017.

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CHRIS WATTS, MAYOR

ATTEST:  
JENNIFER WALTERS, CITY SECRETARY

BY: \_\_\_\_\_

APPROVED AS TO LEGAL FORM:  
AARON LEAL, INTERIM CITY ATTORNEY

BY: Jonny Lee W. De Cuir