

RESOLUTION NO. 09-2004

RESOLUTION APPROVING THE ISSUANCE OF BONDS BY THE COLORADO HEALTH FACILITIES AUTHORITY ON BEHALF OF THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Benson, Arizona (the "City") is a duly organized and validly existing municipal corporation under the laws and Constitution of the State of Arizona; and

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

WHEREAS, The Industrial Development Authority of the City of Benson has issued a series of refunding bonds on behalf of the Society, where the original debt was used for capital expenditures at its Quiburi Mission Samaritan Center facility within the City, and the Society desires to refund the Series 1995 Bonds from the issuance of new Bonds (collectively the "Project"); and

WHEREAS, the Society has proposed that the moneys to refund the Project come from the proceeds of Bonds to be issued by the Colorado Health Facilities Authority (the "Bonds") 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 Benson facility, 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 the Colorado Health Facilities Authority, a public hearing was held within the City at 160 South Huachuca Street, Benson, Arizona on May 17, 2004 after publication in the *San Pedro Valley News Sun* of a Notice of Public Hearing, and a report on the hearing has been presented to the City Council.

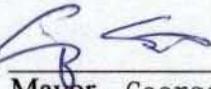
NOW, THEREFORE, THE COUNCIL OF THE CITY OF BENSON HEREBY RESOLVES:

Section 1. The City hereby approves the issuance of the aforesaid Bonds by the Colorado Health Facilities Authority in the approximate principal amount of \$720,000 for The Evangelical Lutheran Good Samaritan Society, and further approves the Project as described in the Notice relating to the public hearing 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.

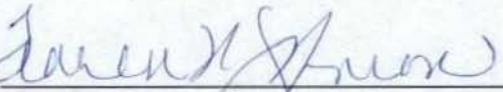
Section 2. Further, it is recognized by the City that the instruments which authorize that issuance of bonds, notes or obligations by the Colorado Health Facilities Authority will specifically state that no governmental entity is obligated to pay the principal of or interest on the bonds, notes or obligations proposed to be issued by the Authority. 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 the said Authority whether theretofore or hereafter incurred.

Section 3. This Resolution shall become effective immediately, upon its passage.

PASSED AND APPROVED this 17 day of May, 2004.

By  _____
Mayor, George Scott

Attest:

By  _____
City Clerk, Karen H. Johnson