

RESOLUTION APPROVING THE FINANCING BY THE
RED RIVER HEALTH FACILITIES DEVELOPMENT CORPORATION
OF A HEALTH FACILITY LOCATED WITHIN
THE CITY OF ABILENE, TEXAS

WHEREAS, the Health Facilities Development Act, Chapter 221, Texas Health and Safety Code (the "Act"), authorizes and empowers Red River Health Facilities Development Corporation (the "Issuer") to issue revenue bonds on behalf of the City of Windthorst, Texas (the "Issuing Unit") to finance and refinance the costs of health facilities found by the Board of Directors of the Issuer to be required, necessary or convenient for health care, research and education, any one or more, within the State of Texas and in furtherance of the public purposes of the Act; and

WHEREAS, Section 221.030 of the Act provides that the Issuer may provide for the financing or refinancing of one or more health facilities located outside the limits of the Issuing Unit with the consent of each city, county or hospital district within which such health facility is or is to be located; and

WHEREAS, Sears Methodist Retirement System, Inc. ("Sears"), a nonprofit Texas corporation, proposes to obtain financing and refinancing from the Issuer from the proceeds of one or more series of the Issuer's bonds and notes in a maximum principal amount of \$100,000,000, a portion of which will be used to finance and refinance the costs of the health facility described in Exhibit A hereto (the "Project"); and

WHEREAS, the Project is located within the City of Abilene, Texas (the "City") and outside the limits of the Issuing Unit;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ABILENE, TEXAS THAT:


Section 1. The City hereby consents to the financing by the Issuer of the Project for the purposes of Section 221.030 of the Act and approves the financing for the purposes of Section 147(f) of the Internal Revenue Code of 1986; provided that the City shall have no liability in connection with the financing of the Project and shall not be required to take any further action with respect thereto.

Section 2. This Resolution shall take effect immediately from and after its adoption and it is accordingly so ordered.

PASSED AND APPROVED, this the 14 day of March 2013.

ATTEST:


CITY SECRETARY


MAYOR

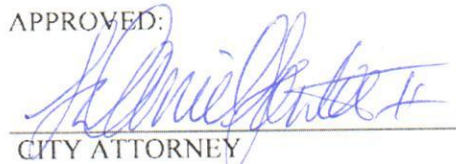
APPROVED:

CITY ATTORNEY

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project consists of the Wesley Court Methodist Retirement Community, a continuing care retirement community with approximately 127 independent living units, 19 assisted living units and 30 nursing beds, together with common areas for administration, dining and recreation, located on approximately 50 acres at 2617 Antilley Road, Abilene, Texas. The total maximum aggregate principal amount of Bonds to be issued by Red River Health Facilities Development Corporation is \$100 million, of which no more than \$41 million will be used on the Project.

LAW OFFICES

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February 20, 2013

Members of the City Council
City of Abilene
555 Walnut Street
Abilene, Texas 79601

Re: Red River Health Facilities Development Corporation Retirement Facility Revenue Bonds
(Sears Methodist Retirement System Obligated Group Project) Series 2013

Ladies and Gentlemen:

The Red River Health Facilities Development Corporation (the "Issuer") proposes, on behalf of the City of Windthorst, Texas, to issue the captioned bonds (the "Bonds") pursuant to the Health Facilities Development Act, Chapter 221, Texas Health and Safety Code (the "Act"), to provide funds to finance and refinance certain costs incurred for construction, improvement and equipping of a continuing care retirement community known as Wesley Court Methodist Retirement Community at 2617 Antilley Road, Abilene, Texas (the "Project"). The facilities are owned and operated by Sears Methodist Centers, Inc. ("Sears Methodist"), an affiliate of Sears Methodist Retirement System, Inc. ("Sears"). Sears and Sears Methodist are Texas nonprofit corporations exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986. Our firm is acting as bond counsel to the Issuer in connection with the issuance of the Bonds. The proceeds of the Bonds will be used to finance and refinance health facilities owned by Sears and its affiliates in Abilene, Amarillo, Lubbock, Odessa and Tyler. The use of a single issuer will enable Sears to achieve significant cost savings with respect to the cost of issuance of the Bonds.

Section 221.030 of the Act requires that for any health facilities located outside the City of Windthorst, Texas to be financed with Bond proceeds, the Issuer must obtain a consent to the financing from each city, county or hospital district within which such health facilities are located.

Sears has requested the Issuer to finance and refinance the Project, which is located within the jurisdiction of the City of Abilene, Texas. Therefore, pursuant to Section 221.030 of the Act, the consent of the City of Abilene is required prior to the financing and refinancing of the Project with Bond proceeds. For your convenience, I have enclosed a proposed form of a consent resolution with a description of the Project attached thereto as Exhibit A.

This consent is required solely for the purposes of satisfying Section 221.030 of the Act and to enable the Issuer to proceed with the proposed financing and refinancing of the Project with Bond proceeds. This consent in no way imposes any payment or other obligations on the City of Abilene in connection with the financing.

Therefore, on behalf of the Issuer and Sears we respectfully request that consideration of adoption of the enclosed consent be placed on the agenda of the City Council of Abilene, Texas at its next available meeting, and that the City Council approve and adopt such consent. Upon such approval, I would also very much appreciate it if you would return three completed, originally executed and sealed certified, resolutions to me in the self-addressed, stamped envelope enclosed for your convenience.

Please do not hesitate to contact me should you have any questions or comments. Thank you very much for your cooperation and assistance.

Sincerely,

McCall, Parkhurst & Horton L.L.P.



L. E. (Ted) Brizzolara, III

LEB:bc
Enclosures

cc: Keith Perry (via email)
Terri Helge (via email)