

Memorandum of Agreement and
Setting Date for Hearing

Davenport, Iowa

September 8, 2016

The Board of Supervisors of Scott County, Iowa, met in regular session on the above date at 5:00 o'clock, p.m., at the Scott County Administrative Center, 600 West 4th Street, Davenport, Iowa. The meeting was called to order and there were present the Chairperson and the following named Board Members:

Present: _____

Absent: _____

••• Other Business •••

Matters were discussed relative to a financing for Christian Retirement Homes, Inc. d/b/a Ridgecrest Village, pursuant to Chapter 419 of the Iowa Code. Whereupon, Board Member _____ introduced the following resolution and moved its adoption, seconded by Board Member _____; and after due consideration thereof by the Board, the Chairperson put the question upon the motion and the roll being called, the following named members of the Board voted:

Ayes: _____

Nays: _____

Abstain: _____

Whereupon, the Chairperson declared the said motion duly carried and the resolution adopted as follows:

RESOLUTION _____

Resolution authorizing the execution of a Memorandum of Agreement with Christian Retirement Homes, Inc. d/b/a Ridgecrest Village and fixing a date for a hearing on the proposed issuance of revenue bonds or notes (Ridgecrest Village Project).

WHEREAS, the County of Scott, State of Iowa (the “Issuer”), is a County authorized and empowered by the provisions of Chapter 419 of the Code of Iowa, as amended (the “Act”), to issue revenue bonds or notes for the purpose of financing the cost of acquiring, by construction or purchase, land, buildings, improvements and equipment, or any interest therein, suitable for the use of any facility for an organization described in Section 501(c)(3) of the Internal Revenue Code (the “Code”) which is exempt from federal income tax under Section 501(a) of the Code (a “Tax Exempt Organization”) and to refund any bonds or notes issued pursuant to the Act; and

WHEREAS, the Issuer has been requested by Christian Retirement Homes, Inc. d/b/a Ridgecrest Village (the “Borrower”), a Tax Exempt Organization, to issue its Revenue Refunding Bonds (Ridgecrest Village Project), in one or more series, in an aggregate principal amount not to exceed \$13,500,000 (the “Bonds”) pursuant to the Act and loan the proceeds thereof to the Borrower for the purpose of: (i) refunding the Issuer’s outstanding Revenue Refunding Bonds (Ridgecrest Village), Series 2006, originally issued in the principal amount of \$13,820,000 (the “Prior Bonds”), the proceeds of which were used to (a) refund the Issuer’s previous issues of \$11,500,000 Revenue Bonds (Ridgecrest Village Project), Series 2000A and \$2,500,000 Revenue Bonds (Ridgecrest Village Project), Series 2000B, Extendable Rate Adjustment SecuritiesSM (EXTRASSM), (b) fund a debt service reserve fund for the Prior Bonds, and (c) pay costs of issuance and certain other costs associated with the issuance of the Prior Bonds; (ii) funding a debt service reserve fund for the Bonds; and (iii) paying costs of issuance and certain other costs associated with the issuance of the Bonds; and

WHEREAS, it is proposed to finance the foregoing through the issuance of the Bonds and to loan the proceeds from the sale of the Bonds to the Borrower under a Loan Agreement between the Issuer and the Borrower, the obligations of which will be sufficient to pay the principal of, premium, if any, and interest on the Bonds as and when the same shall be due and payable; and

WHEREAS, the Bonds, if issued, shall be limited obligations of the Issuer, and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers, and the principal of, interest and premium, if any, on the Bonds shall be payable solely out of the revenues derived from the Loan Agreement; and

WHEREAS, before the Bonds may be issued, it is necessary to conduct a public hearing on the proposal to issue the Bonds, all as required and provided for by Section 419.9 of the Act and Section 147(f) of the Internal Revenue Code; and

WHEREAS, a Memorandum of Agreement in the form and with the contents set forth in Exhibit A attached hereto, has been presented to the Issuer which sets forth certain mutual undertakings and agreements between the Issuer and the Borrower, relating to the further processing of said Bonds;

NOW, THEREFORE, IT IS RESOLVED by the Board of Supervisors of the Issuer, as follows:

Section 1. The Memorandum of Agreement in the form and with the contents set forth in Exhibit A attached hereto is hereby approved, and the Chairperson is hereby authorized to execute said Memorandum of Agreement and the County Auditor is hereby authorized to attest the same and to affix the seal of the Issuer thereto; said Memorandum of Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit A attached hereto.

Section 2. Officials of the Issuer are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of the Memorandum of Agreement.

Section 3. This Board shall meet on the 6th day of October, 2016, at the Scott County Administrative Center, Davenport, Iowa, at 5:00 o'clock p.m., at which time and place any resident or property owner of the Issuer may present oral or written objections on the proposal to issue the Bonds referred to in the preamble hereof.

Section 4. The County Administrator or his designee is hereby directed to give notice of intention to issue the Bonds, setting forth the amount and purpose thereof, the time when and place where the hearing will be held, by publication at least once not less than fifteen (15) days prior to the date fixed for the hearing, in a newspaper published and having a general circulation within the Issuer. The notice shall be in substantially the following form:

NOTICE OF INTENTION TO ISSUE
REVENUE REFUNDING BONDS
(RIDGECREST VILLAGE PROJECT)

The Board of Supervisors of Scott County, Iowa, (the “Issuer”) will meet on the 6th day of October, 2016, at 5:00 o’clock p.m., at the Scott County Administrative Center, 600 West 4th Street, Davenport, Iowa 52801, for the purpose of conducting a public hearing on the proposal to issue its Revenue Refunding Bonds (Ridgecrest Village Project) in an amount not to exceed \$13,500,000 (the “Bonds”) and to loan said amount to Christian Retirement Homes, Inc. d/b/a Ridgecrest Village (the “Borrower”) for the purpose of: (i) refunding the Issuer’s outstanding Revenue Refunding Bonds (Ridgecrest Village), Series 2006, originally issued in the principal amount of \$13,820,000 (the “Prior Bonds”), the proceeds of which were used to (a) refund the Issuer’s previous issues of \$11,500,000 Revenue Bonds (Ridgecrest Village Project), Series 2000A and \$2,500,000 Revenue Bonds (Ridgecrest Village Project), Series 2000B, Extendable Rate Adjustment SecuritiesSM (EXTRASSM), (b) fund a debt service reserve fund for the Prior Bonds, and (c) pay costs of issuance and certain other costs associated with the issuance of the Prior Bonds; (ii) funding a debt service reserve fund for the Bonds; and (iii) paying costs of issuance and certain other costs associated with the issuance of the Bonds.

The Bonds, when issued, will be limited obligations and will not constitute general obligations of the Issuer nor will they be payable in any manner by taxation, but the Bonds will be payable solely and only from amounts received by the Issuer under a Loan Agreement between the Issuer and the Borrower, the obligations of which will be sufficient to pay the principal of and interest and redemption premium, if any, on the Bonds as and when the same shall become due.

At the time and place, oral or written objections from any resident or property owner of the Issuer may be presented. At such meeting or any adjournment thereof, the Issuer shall adopt a resolution determining whether or not to proceed with the issuance of the Bonds. Written comments may also be submitted to the Issuer at the Scott County Administrative Center, Attn: Scott County Board of Supervisors, 600 West 4th Street, Davenport, Iowa 52801. Written comments must be received by the above hearing date.

By order of the Board of Supervisors of Scott County, Iowa.

Section 5. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved September 8, 2016.

Chairperson

Attest:

County Auditor

••• Other Business•••

On motion and vote, the meeting adjourned.

STATE OF IOWA

SS:

COUNTY OF SCOTT

I, the undersigned, do hereby certify that I am the duly elected, qualified and acting County Auditor of the aforementioned County and that as such I have in my possession or have access to the complete official records of said County and of its Board of Supervisors and officers; and that I have carefully compared the transcript hereto attached with the aforesaid official records and that said transcript hereto attached is a true, correct and complete copy of all of the official records showing the action taken by the Board of Supervisors of said County to authorize the execution of a Memorandum of Agreement by and between Christian Retirement Homes, Inc. d/b/a Ridgecrest Village and said County and to set a public hearing date as set forth therein.

WITNESS my hand and the seal of said County hereto affixed this ____ day of September, 2016.

County Auditor

(Seal)

STATE OF IOWA

SS:

COUNTY OF SCOTT

I, the undersigned, County Administrator of the aforementioned County, do hereby certify that I caused a notice of which the printed slip annexed to the publisher's affidavit hereto attached, is a true and complete copy, to be published in _____, a legal newspaper, printed wholly in the English language, published in said County and of general circulation in such County as evidenced by the said affidavit.

WITNESS my hand and the seal of the aforementioned County hereto affixed this _____ day of _____, 2016.

County Administrator

(Seal)

(PLEASE NOTE: This certificate must be dated as of or subsequent to the actual date of publication of the notice.)

EXHIBIT A
MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT is between the County of Scott, Iowa, (the “Issuer”) and Christian Retirement Homes, Inc. d/b/a Ridgecrest Village (the “Borrower”) on this 8th day of September, 2016 (the “Dated Date”).

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

(a) The Issuer is authorized by Chapter 419 of the Code of Iowa, as amended (the “Act”) to issue revenue bonds for the purpose of financing the cost of acquiring, by construction or purchase, land, buildings, improvements and equipment, or any interest therein, suitable for the use of any facility for an organization described in Section 501(c)(3) of the Internal Revenue Code (the “Code”) which is exempt from federal income tax under Section 501(a) of the Code (a “Tax Exempt Organization”) and to refund any bonds issued pursuant to the Act; and

(b) The Borrower wishes to obtain satisfactory assurance from the Issuer that, subject to the public hearing required by the Act and Section 147(f) of Code and the terms of this Agreement, the Bonds (as defined herein) will be issued by the Issuer in a principal amount sufficient to loan said amount to Borrower for the purpose of: (i) refunding the Issuer’s outstanding Revenue Refunding Bonds (Ridgecrest Village), Series 2006, originally issued in the principal amount of \$13,820,000 (the “Prior Bonds”), the proceeds of which were used to (a) refund the Issuer’s previous issues of \$11,500,000 Revenue Bonds (Ridgecrest Village Project), Series 2000A and \$2,500,000 Revenue Bonds (Ridgecrest Village Project), Series 2000B, Extendable Rate Adjustment SecuritiesSM (EXTRASSM), (b) fund a debt service reserve fund for the Prior Bonds, and (c) pay costs of issuance and certain other costs associated with the issuance of the Prior Bonds; (ii) funding a debt service reserve fund for the Bonds; and (iii) paying costs of issuance and certain other costs associated with the issuance of the Bonds.

2. Undertakings on the Part of the Issuer.

(a) The Issuer will begin the proceedings necessary to authorize the issuance of such bonds, in an aggregate principal amount not to exceed \$13,500,000 (the “Bonds”).

(b) Subject to due compliance with all requirements of law and the terms of this Agreement, including the provisions of and the public hearing required by the Act, it will cooperate with the Borrower in the issuance and sale of such Bonds, and the proceeds from the issuance of such Bonds shall be loaned to the Borrower upon terms sufficient to pay the principal of and interest and redemption premium, if any, on such Bonds, as and when the same shall become due.

(c) The Issuer shall determine when, in what amount, and if the Bonds may be issued without causing the Issuer to lose its qualification as a “qualified small issuer” within the meaning of Section 265(b)(3)(C) of the Code, and if not, whether the Issuer will still otherwise proceed with the issuance of the Bonds.

3. Undertakings on the Part of the Borrower.

(a) The Borrower will use all reasonable efforts to cooperate with the Issuer and comply with the Act and all other provisions of law relating to the refunding of the Prior Bonds and the sale of such Bonds.

(b) The Borrower will enter into a Loan Agreement with the Issuer under the terms of which the Borrower will obligate itself to pay to the Issuer sums sufficient to pay the principal of and interest and redemption premium, if any, on such Bonds as and when the same shall become due and payable.

4. General Provisions.

(a) All commitments on the part of the Issuer and the Borrower herein are subject to the condition that on or before one year from the date hereof (or such other date as shall be mutually agreed to) the Issuer and the Borrower shall have agreed to mutually acceptable terms relating to the issuance and sale of such Bonds, and mutually acceptable terms and conditions of the documents referred to in paragraph 3 and the proceedings referred to in paragraphs 2 and 3 hereof.

(b) Whether or not the events set forth in part (a) of this paragraph take place or take place within the time set forth or any extension thereof, the Borrower agrees (i) to pay all applicable deposits and review fees required by the Issuer at the times and in the amounts requested and (ii) to reimburse the Issuer for all reasonable and necessary direct out-of-pocket expenses which the Issuer may incur, including but not limited to, legal fees, administrative costs, printing and publication costs and filing fees arising from the execution of this Agreement and the performance, or preparation to perform by the Issuer of its obligations hereunder, or done at the request of the Borrower.

(c) All commitments of the Issuer hereunder are further subject to the conditions that the Issuer shall in no event incur any liability for any act or omission hereunder, and that such Bonds described herein shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers.

The execution of this Memorandum of Agreement by the Issuer is not intended to nor does it create a binding commitment on the part of the Issuer to proceed with the issuance of the Bonds. It is further understood that the issuance of the Bonds is subject to further review by the

Board of Supervisors of the Issuer and compliance with all provisions of the Act and the Code, including the holding of a public hearing with respect thereto.

(d) Preparation of all resolutions, agreements, instruments, certificates or other documents in final form for adoption and execution shall be the sole responsibility of Bond Counsel.

(e) Counsel for the Issuer, if requested by the Borrower or Bond Counsel, shall timely certify the non-existence of threatened litigation, pending litigation or claims with respect to the proposed Bond issue. All other attorneys' opinions or certificates with respect to issuing authority, non-arbitrage, regularity of proceedings, or otherwise shall be the responsibility of Borrower Counsel or Bond Counsel.

(f) In the event Sections 145 and 146 of the Code restrict the aggregate principal amount of Bonds for Tax-Exempt Organizations which the Issuer may issue in any calendar year, the Issuer may, in its discretion, rescind its commitments under Paragraph 2 hereof, without liability on the part of the Issuer.

Dated the Dated Date.

SCOTT COUNTY, IOWA

By _____
Chairperson

Attest:

County Auditor

(Seal)

CHRISTIAN RETIREMENT HOMES, INC. d/b/a
RIDGECREST VILLAGE

By _____
Authorized Representative