

Scott Co./Ridgecrest Village/ Hearing Auth Iss
4822-7679-6984/1/429256/00031

HEARING, AUTHORIZATION
AND ISSUANCE PROCEEDINGS

Davenport, Iowa

October 6, 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

The Board investigated and found that notice of intention to issue Revenue Refunding Bonds (Ridgecrest Village Project), Series 2016 (the "Bonds") in one or more series in an aggregate principal amount not to exceed \$13,500,000 had, as directed by the Board, been duly published according to law.

This being the time and place specified in the notice for the conduct of a public hearing on the proposal to issue the Bonds, the Chairperson announced that all local residents attending the hearing would now be given an opportunity to express their views for or against the proposal to issue the Bonds. The following local residents attending the hearing expressed their views as follows:

None

The following local residents who had submitted written comments prior to the hearing expressed their views in such written comments as follows:

None

After all local residents who appeared at the hearing who desired to do so had expressed their views for or against the proposal to issue the Bonds, 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 on the motion and upon the roll being called, the following named Board Members voted:

Ayes: _____

Nays: _____

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

RESOLUTION NO. _____

RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$13,500,000 AGGREGATE PRINCIPAL AMOUNT OF REVENUE REFUNDING BONDS (RIDGECREST VILLAGE PROJECT), SERIES 2016 (THE "BONDS") OF SCOTT COUNTY, IOWA, FOR THE PURPOSE OF LENDING THE PROCEEDS THEREOF TO CHRISTIAN RETIREMENT HOMES, INC. d/b/a RIDGECREST VILLAGE (THE "BORROWER"); THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE COUNTY AND THE BORROWER; THE EXECUTION AND DELIVERY OF A FIFTH AMENDMENT TO MORTGAGE TO SECURE THE BONDS; THE SALE OF THE BONDS; AND THE EXECUTION OF OTHER DOCUMENTS RELATED TO THE BONDS

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), Series 2016, 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 "Loan Agreement"), 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, when 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 and interest and premium, if any, on the Bonds shall be payable solely out of the revenues derived from the aforementioned Loan Agreement or otherwise as provided therein; and

WHEREAS, notice of intention to issue the Bonds has, as directed by the Board of Supervisors of the Issuer, been duly given in compliance with the Act and Section 147(f) of the Internal Revenue Code; and

WHEREAS, a public hearing has been held on the proposal to issue the Bonds at the time and place as specified in the notice and all objections or other comments relating to the issuance of the Bonds have been heard; and

WHEREAS, it is proposed that the Bonds be sold to Cedar Rapids Bank & Trust (the “Lender”);

NOW, THEREFORE, Be It Resolved by the Board of Supervisors of Scott County, Iowa, as follows:

Section 1. In order to finance the foregoing purposes, the Bonds, in an aggregate principal amount not to exceed \$13,500,000, are hereby authorized and ordered to be issued by the Issuer pursuant to the Loan Agreement, in substantially the form as has been presented to and considered by this Board and containing substantially the terms and provisions set forth therein. The Bonds will bear interest at an initial rate not to exceed 4% per annum as may be determined by the Borrower and the Lender prior to the issuance thereof and as adjusted from time to time as provided in the Bonds. The Chairperson and County Auditor are hereby authorized and directed to execute and deliver the Bonds in such amount and rates as may be determined by the Borrower and the Lender, within the foregoing limits by and on behalf of the Issuer.

Section 2. The Issuer shall loan to the Borrower the proceeds of the Bonds pursuant to the Loan Agreement in substantially the form as has been presented to and considered by this Board and containing substantially the terms and provisions set forth therein, and the Chairperson and the County Auditor are hereby authorized and directed to execute and deliver the Loan Agreement with such changes, modifications, deletions or additions as deemed appropriate by Bond Counsel.

Section 3. The Fifth Amendment to Loan Agreement, Mortgage and Security

Agreement among the Issuer, the Borrower and the Lender (the “Fifth Amendment to Mortgage”) amending and supplementing the Loan Agreement, Mortgage and Security Agreement dated as of October 15, 1993 (the “Original Mortgage”) as previously amended and supplemented by the First Amendment to Loan Agreement, Mortgage and Security Agreement dated as of September 1, 2000 (the “First Amendment to Mortgage”), the Second Amendment to Loan Agreement, Mortgage and Security Agreement dated as of November 1, 2004 (the “Second Amendment to Mortgage”), the Third Amendment to Loan Agreement, Mortgage and Security Agreement dated as of September 1, 2006 (the “Third Amendment to Mortgage”), and the Fourth Amendment to Loan Agreement, Mortgage and Security Agreement dated as of December 1, 2015 (the “Fourth Amendment to Mortgage,” and together with the First Amendment to Mortgage, the Second Amendment to Mortgage, the Third Amendment to Mortgage, the Fifth Amendment to Mortgage and the Original Mortgage, the “Mortgage”), to subject the Borrower’s facilities and the real estate relating thereto to the lien of the Mortgage and to provide for the issuance of the Series 2016 Note (as defined in the Loan Agreement) on a parity with the Series 2015 Note (as defined in the Loan Agreement), is authorized and approved and the execution and delivery of the Fifth Amendment to Mortgage by the Chairperson and the County Auditor are hereby authorized and approved.

Section 4. It is hereby found, determined and declared that the Bonds and interest and premium, if any, thereon shall never constitute the debt or indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers, but the Bonds and interest and premium, if any, thereon shall be payable solely and only from the revenues derived from the Loan Agreement and the debt obligations of the Borrower delivered pursuant thereto; and no part of the cost of financing the foregoing purposes will be payable out of the general funds or other contributions of the Issuer (except the proceeds of the Bonds).

Section 5. The Chairperson and the County Auditor are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bonds and the execution and delivery of the Loan Agreement and the Fifth Amendment to Mortgage, and certificates and agreements concerning the maintenance of the tax-exempt status of the Bonds, and to carry out the intent and purposes of this Resolution, including the preamble hereto and the execution by the Chairperson and, if required, the County Auditor, of the Bonds, the Loan Agreement, the Fifth Amendment to Mortgage, and certificates and agreements concerning the maintenance of the tax-exempt status of the Bonds shall constitute conclusive evidence of their approval and this Board’s approval thereof and of any and all changes, modifications, additions or deletions therein from the respective forms thereof now before this meeting.

Section 6. The provisions of this Resolution are hereby declared to be separable and

if any action, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 7. All resolutions or parts thereof in conflict herewith are repealed, to the extent of such conflict.

Section 8. That this Resolution shall become effective immediately upon its passage and approval.

Passed and approved October 6, 2016.

Chairperson, Board of Supervisors

Attest:

County Auditor

* * *Other Business***

On motion and vote, the meeting adjourned.

STATE OF IOWA)
)
COUNTY OF SCOTT) SS

I, the undersigned, being first duly sworn, do hereby depose and 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 corporate records of the County and of this Board of Supervisors and its members; that I have carefully compared the transcript hereto attached with the aforesaid corporate records; and that the transcript hereto attached is a true, correct and complete copy of all the corporate records in relation to the adoption of a Resolution authorizing the issuance and sale of the Revenue Refunding Bond (Ridgecrest Village Project), Series 2016, in an aggregate principal amount not to exceed \$13,500,000.

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

County Auditor