

March 26, 2020

Board of Supervisors
Scott County, Iowa
600 W. 4th Street
Davenport, Iowa 52801

Re: Reissuance of Conduit Bond Issue – Ridgecrest Village

Dear Board of Supervisors:

This letter is related to the request by Christian Retirement Homes, Inc. d/b/a Ridgecrest Village (the “Borrower”) that Scott County, Iowa (the “County”) approve certain amendments to the documents relating to the previous issuance by the County of its Revenue Refunding Bond (Ridgecrest Village Project), Series 2016 (the “Original Bond”), which amendments will result in the reissuance of the Original Bond (as reissued, the “Reissued Bond”). The amendments are requested in order change the interest rate on and extend the maturity of the Original Bond.

The Original Bond was issued by the County and sold to Cedar Rapids Bank and Trust Company (the “Lender”). The proceeds of the sale of the Original Bond were loaned to the Borrower pursuant to the Loan Agreement dated as of November 1, 2016 (the “Loan Agreement”) in which the Borrower agreed to repay the Original Bond. Upon the reissuance of the Original Bond and making amendments to the documents related to the Original Bond, the Borrower will continue to agree to repay the Reissued Bond.

As with the original Bond, the Reissued Bond does NOT count against the County’s constitutional debt limit. The Reissued Bond is payable solely and only out of payments made by the Borrower under the Loan Agreement and the County would not be called upon to pay the Reissued Bond.

The County is authorized by Section 265 of the Internal Revenue Code (the “Code”) to issue up to \$10,000,000 of “bank qualified” obligations in each calendar year (the “\$10,000,000 BQ Limit”). The Reissued Bond will not count against the County’s \$10,000,000 BQ Limit for any calendar year.

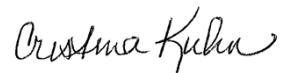
Because the Reissued Bond will extend the maturity of the Original Bond, the County will need to hold a public hearing prior to authorizing the issuance of the Reissued Bond. We will prepare all proceedings related to the Reissued Bond and the amendments to the documents relating to the Original Bond. After the hearing is held,

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the County will have the authority to issue the Bonds, and we will provide the necessary resolution to complete the amendments.

I hope this information will be useful as the County considers assisting the Borrower in the amendments to and reissuance of the Original Bond. Please contact me (515-699-3273) if you have any questions or if there is any further information we can supply at this time. Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cristina Kuhn".

cc: Mahesh Sharma
David Farmer

Resolution Setting Date for Hearing

Davenport, Iowa

April 16, 2020

The Board of Supervisors of Scott County, Iowa, met telephonically in regular session on the above date at 5:00 p.m. The Board is conducting this meeting telephonically due to federal and state government recommendations in response to COVID-19 pandemic conditions, and Governor Reynolds' Proclamation of Disaster Emergency dated March 19, 2020, and a telephone conference number was included in the posted agenda of this public meeting. The meeting was called to order and there were present the Chair of the Board of Supervisors and the following named Supervisors:

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 regarding amending certain agreements relative to certain revenue bonds issued for the benefit of 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: _____

Ridgecrest/Set Date

Abstain: _____

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

RESOLUTION _____

Resolution fixing a date for a hearing on the proposed amendments to revenue bonds and certain documents related to the issuance of such revenue 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, at the request by Christian Retirement Homes, Inc. d/b/a Ridgecrest Village (the “Borrower”), a Tax Exempt Organization, the Issuer issued its Revenue Refunding Bond (Ridgecrest Village Project), Series 2016, in an original aggregate principal amount of \$13,175,000 (the “Bond”) pursuant to the Act and loaned the proceeds thereof to the Borrower pursuant to the Loan Agreement dated as of November 1, 2016 (the “Original Loan Agreement”) between the Issuer and 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 Bond; and (iii) paying costs of issuance and certain other costs associated with the issuance of the Bond; and

WHEREAS, in order to secure repayment of the Bond and to provide for the issuance of the Bond, the Issuer, the Borrower and Cedar Rapids Bank and Trust Company (the “Lender”) entered into 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 Bond (as defined in the Loan Agreement); and

WHEREAS, the Borrower has requested that the Issuer approve certain amendments to the Bond, the Loan Agreement and the Fifth Amendment to Mortgage in order to increase the interest rate and extend the maturity of the Bond (collectively, the “Amendments”); and

WHEREAS, before the Amendments may be entered into, it is necessary to conduct a public hearing on the proposal to enter into the Amendments, all as required and provided for by Section 147(f) of the Internal Revenue Code; and

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

Section 1. This Board shall meet on the 14th day of May, 2020, at the Scott County Administrative Center, Davenport, Iowa, at 5:00 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 enter into the Amendments referred to in the preamble hereof.

Section 2. The County Administrator or his designee is hereby directed to give notice of intention to enter into the Amendments, setting forth the 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 ENTER INTO CERTAIN
AMENDMENTS TO REVENUE REFUNDING BOND
(RIDGECREST VILLAGE PROJECT), SERIES 2016
AND CERTAIN AGREEMENTS RELATING THERETO

The Board of Supervisors of Scott County, Iowa, (the “Issuer”) will meet on the 14th day of May, 2020, at **5:00 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 amend its Revenue Refunding Bond (Ridgecrest Village Project), Series 2016 issued in the original principal amount of \$13,175,000 and currently outstanding in the principal amount of approximately \$11,000,000 (the “Bond”) the proceeds of which were loaned to Christian Retirement Homes, Inc. d/b/a Ridgecrest Village (the “Borrower”) and to enter into certain amendments to agreements pursuant to which the Bond was issued. The Bond was originally issued 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) the proceeds of which were used to finance and refinance the Borrower’s facilities located at 4130 Northwest Boulevard, Davenport, Iowa, (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 Bond; and (iii) paying costs of issuance and certain other costs associated with the issuance of the Bond.

The Bond, as amended, is a limited obligation and does not constitute a general obligation of the Issuer nor is it payable in any manner by taxation, but the Bond is payable solely and only from amounts received by the Issuer under a Loan Agreement between the Issuer and the Borrower, the obligations of which are sufficient to pay the principal of and interest and redemption premium, if any, on the Bond 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 amendments to the Bond. 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.

Ridgecrest/Set Date

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

Passed and approved April 16, 2020.

Chairperson

Attest:

County Auditor

••• Other Business•••

On motion and vote, the meeting adjourned.

Ridgecrest/Set Date

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 set a public hearing date as set forth therein.

WITNESS my hand and the seal of said County hereto affixed this ____ day of April, 2020.

County Auditor

(Seal)

Ridgecrest/Set Date

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 April, 2020.

County Administrator

(Seal)

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