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MEMORANDUM OF AGREEMENT AND HEARING

Sioux City, Iowa

October 20, 2020

The Board of Supervisors of Woodbury County met on October 20, 2020 at 4:30 o'clock p.m., in the lower level of the Woodbury County Courthouse, 620 Douglas Street, Sioux City, Iowa. The meeting was called to order and there were present the Chairperson and the following named Board Members:

Present: Matthew Ung, Rocky De Witt, Marty Pottebaum, Keith Radig, Justin Wright

Absent: _____

* * * Other Business * * *

Matters were discussed relative to a financing pursuant to Chapter 419 of the Iowa Code. Whereupon, Board Member Matthew Ung introduced the following resolution and moved its adoption, seconded by Board Member Rocky De Witt 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: Matthew Ung, Rocky De Witt, Marty Pottebaum, Keith Radig, Justin Wright

Nays: _____

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

RESOLUTION 13,071

A Resolution authorizing the execution of a Memorandum of Agreement with Jackson Recovery Centers, Inc. and fixing a date for a hearing on the proposed issuance of revenue bonds or notes

WHEREAS, the County of Woodbury, State of Iowa (the "Issuer"), is a County authorized and empowered by the provisions of Chapter 419 of the Code of Iowa, 2019 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") or to retire any existing indebtedness on a facility for a Tax Exempt Organization or to refund any Bonds issued pursuant to the Act and paying costs of issuance associated therewith; and

WHEREAS, the Issuer has been requested by Jackson Recovery Centers, Inc., or an affiliate thereof (the "Borrower"), a Tax Exempt Organization, to issue revenue bonds or notes, in an aggregate principal amount not to exceed \$5,500,000 (the "Bonds"), in one or more series, pursuant to the Act, and to loan said amount to the Borrower for the purposes of (1) refinancing certain existing indebtedness of the Borrower, the proceeds of which were used to refinance the Issuer's \$7,000,000 Healthcare Facilities Revenue Bond (Jackson Recovery Centers, Inc. Project), Series 2013 (the "Prior Bond"), the proceeds of which were used to (a) pay a portion of the costs of acquiring, constructing, furnishing and equipping a new Child and Adolescent Recovery Hospital located at 3500 W. 4th Street, Sioux City, Iowa (the "Project"), and (b) pay for certain costs of issuing the Prior Bond; and (2) paying for certain costs of 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, the Borrower and BMO Harris Bank N.A. (the "Purchaser"), 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 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; 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 at 4:45 p.m. on the 17th day of November, 2020, in the lower level of the Woodbury County Courthouse, 620 Douglas Street, Sioux City, Iowa, 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 Auditor, 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 BONDS OR NOTES
(ROSECRANCE JACKSON RECOVERY CENTERS PROJECT)

The Board of Supervisors of Woodbury County, Iowa, (the "Issuer") will meet on the 17th day of November, 2020 at 4:45 p.m., in the lower level of the Woodbury County Courthouse, 620 Douglas Street, Sioux City, Iowa, for the purpose of conducting a public hearing on the proposal to issue revenue bonds or notes of the Issuer, in the aggregate principal amount not to exceed \$5,500,000 (the "Bonds"), in one or more series, and to loan said amount to Jackson Recovery Centers, Inc., or an affiliate thereof (the "Borrower"), for the purpose of (1) refinancing certain existing indebtedness of the Borrower, the proceeds of which were used to refinance the Issuer's \$7,000,000 Healthcare Facilities Revenue Bond (Jackson Recovery Centers, Inc. Project), Series 2013 (the "Prior Bond"), the proceeds of which were used to (a) pay a portion of the costs of acquiring, constructing, furnishing and equipping a new Child and Adolescent Recovery Hospital located at 3500 W. 4th Street, Sioux City, Iowa (the "Project"), and (b) pay for certain costs of issuing the Prior Bond; and (2) paying for certain costs of issuance of the Bonds. The Project will be owned and operated by the Borrower.

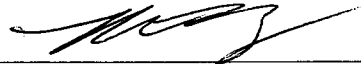
The Bonds, when issued, will be limited obligations and will not constitute general obligations of the Issuer nor will they be payable in any manner by taxation, but the Bonds will be payable solely and only from amounts received by the Issuer pursuant to one or more Loan Agreements between the Issuer, the Borrower and the purchaser of the Bonds, 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 stated above, 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 Woodbury County Courthouse, 620 Douglas Street, Sioux City, Iowa 51101. Written comments must be received by the above hearing date.

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

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

Passed and approved on October 20, 2020.



Chairperson, Board of Supervisors

Attest.



County Auditor

* * * Other Business * * *

On motion and vote, the meeting adjourned.

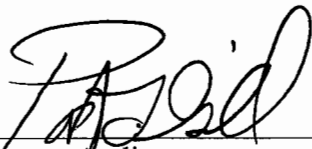
STATE OF IOWA

SS:

COUNTY OF WOODBURY

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 Jackson Recovery Centers, Inc. or an affiliate thereof 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 20th day of October, 2020.



County Auditor

(Seal)

EXHIBIT A
MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT is between the County of Woodbury, Iowa, (the "Issuer") and Jackson Recovery Centers, Inc. (d/b/a Rosecrance Jackson Recovery Centers) (the "Borrower").

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, 2019, 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") or to retire any existing indebtedness on a facility for a Tax Exempt Organization and to refund any bonds issued pursuant to the Act, and paying costs of issuance associated therewith.

(b) The Borrower, a Tax-Exempt Organization, wishes to obtain satisfactory assurance from the Issuer that, subject to the public hearing required by the Act and Section 147(f) of the Internal Revenue Code and the terms of this Agreement, and to due compliance with all requirements of law and the obtaining of all necessary consents and approvals and to the happening of all acts, conditions and things required to exist, happen or be performed precedent to and in connection therewith in due time, form and manner as required by law, such bonds or notes, in one or more series, in a principal amount not to exceed \$5,500,000 (the "Bonds") will be issued by the Issuer for the purpose of (1) refinancing certain existing indebtedness of the Borrower, the proceeds of which were used to refinance the Issuer's \$7,000,000 Healthcare Facilities Revenue Bond (Jackson Recovery Centers, Inc. Project), Series 2013 (the "Prior Bond"), the proceeds of which were used to (a) pay a portion of the costs of acquiring, constructing, furnishing and equipping a new Child and Adolescent Recovery Hospital located at 3500 W. 4th Street, Sioux City, Iowa (the "Project"), and (b) pay for certain costs of issuing the Prior Bond; and (2) paying for certain costs of issuance of the Bonds (as defined herein).

2. Undertakings on the Part of the Issuer.

(a) The Issuer will begin the proceedings necessary to authorize the issuance of the Bonds, in an aggregate principal amount not to exceed \$5,500,000.

(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 such 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, all as shall be authorized by law and mutually satisfactory to the Borrower and the Issuer.

(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.

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 refinancing the existing indebtedness and the issuance and sale of such Bonds.

(b) The Borrower will enter into one or more loan agreements (the “Loan Agreement”) with the Issuer and BMO Harris Bank N.A. (the “Purchaser”) 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, such instrument to contain other provisions required by law and such other provisions as shall be mutually acceptable to the Issuer and the Borrower.

(c) The Borrower will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertaking or as it may deem appropriate in pursuant thereof.

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 paragraphs 2 and 3 hereof.

(b) The Borrower agrees that it will 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, whether or not such Bonds are issued.

(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) 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 rescind its commitments under Paragraph 2 hereof, without liability on the part of the Issuer.

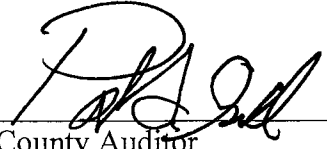
(f) All commitments of the Issuer hereunder are further subject to the condition that the Bonds will only be issued if the Issuer determines that such issuance will not cause the Issuer to lose its qualification as a "qualified small issuer" within the meaning of Section 265(b)(3)(C) of the Code in any year.

Dated this 30th day of October, 2020.

WOODBURY COUNTY, IOWA

By 
Chairperson

Attest:


County Auditor

JACKSON RECOVERY CENTERS, INC.

By _____
Authorized Officer