

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that, on November 19, 2012, at 6:45 p.m., the City Council of the City of Rock Island, Rock Island County, Illinois (the “*City*”), will conduct a public hearing, to be held in the City Council Chambers of the City, at 1528 Third Avenue, Rock Island, Illinois, regarding a plan by the City to issue its Retirement Facility Revenue Bonds, Series 2012 (Friendship Manor Project) in an aggregate principal amount not to exceed \$10,000,000 (the “*Bonds*”). The proceeds of the Bonds will be used to finance a portion of the cost of the construction of improvements to existing buildings and the acquisition and installation of furnishings, equipment and related property, all constituting a project comprised of approximately 198 apartments, an approximately 13-bed shelter care facility, an approximately 81-bed nursing center and a community integrated living facility (the “*Project*”); to refund the Retirement Facilities Revenue Bonds (Friendship Manor Project) Series 2004 previously issued by the City to finance the construction of improvements to and the acquisition of furnishings, equipment and related property at the same facilities and to refund certain other bonds issued by the City for similar purposes; and to pay a portion of the costs of issuing the Bonds, all to be owned and operated by Friendship Manor, Inc., an Illinois not-for-profit corporation (the “*Company*”), as a retirement facility. The Project will be located at 1209-21st Avenue and 1202 19-1/2 Avenue in the City.

The City is a municipality and a home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois. The Bonds will be issued by the City pursuant to its powers as a home rule unit of government under the 1970 Constitution of the State of Illinois, pursuant to an ordinance to be considered for adoption by the City Council of the City after it conducts the public hearing. The Bonds will be special, limited obligations of the City, the principal of, premium, if any, and interest on which will be payable solely from the revenues and receipts derived from the repayment of the loan of the proceeds of the Bonds to the Company pursuant to the terms of a Loan Agreement (the “*Agreement*”), by and between the City and the Company. To evidence its obligation to repay the loan of the proceeds of the Bonds, the Company will execute and deliver its promissory note (the “*Note*”) identical to the terms of the Bonds as to principal amount and maturity dates, interest rates and payment dates and prepayment (or redemption) provisions. The Bonds and the interest thereon shall not constitute an indebtedness of the City, the State of Illinois or any political subdivision thereof or a loan of credit or a charge against the general credit or taxing power of any of them, within the meaning of any constitutional or statutory provision. No owner of the Bonds shall have the right to compel the taxing power of the City, the State of Illinois or any political subdivision thereof to pay the principal of, premium, if any, or interest on the Bonds.

The above-noticed public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended. At the time and place set for the public hearing, residents, taxpayers and other interested persons will be given the opportunity to express their views for or against the proposed plan of financing, the issuance of the Bonds and the nature and location of the facilities proposed to be financed thereby. Written comments may also be submitted to the City Clerk of

the City, at City Hall, 1528 Third Avenue, Rock Island, Illinois 61201, on or before November 19, 2012.

Notice dated November 1, 2012.

CITY OF ROCK ISLAND, ROCK ISLAND COUNTY,
ILLINOIS

/s/ Aleisha Patchin

City Clerk