

Attachment B

NOTICE OF INTEREST RATE CHANGE

April 27, 2023

Presbyterian Homes of Arden Hills, Inc.
2845 Hamline Avenue N.
Roseville, MN 55113
Attn: Chief Financial Manager

City of Arden Hills, Minnesota
1245 W. Highway 96
Arden Hills, MN 55112
Attn: City Administrator

Kennedy & Graven, Chartered
150 South Fifth Street, Suite 700
Minneapolis, MN 55402-1299

Re: City of Arden Hills, Minnesota Senior Housing Revenue Note (Presbyterian Homes of Arden Hills, Inc. Project), Series 2015 issued to Bremer Bank, National Association (“Lender”) in the original principal amount of \$10,000,000.00; and City of Arden Hills, Minnesota Amended and Restated Senior Housing Revenue Note (Presbyterian Homes of Arden Hills, Inc. Project), Series 2011A reissued to Lender in the original principal amount of \$9,503,938.05; and City of Arden Hills, Minnesota Amended and Restated Senior Housing Revenue Note (Presbyterian Homes of Arden Hills, Inc. Project), Series 2012A reissued to Lender in the original principal amount of \$9,481,981.98 (collectively, the “Notes”)

Ladies and Gentlemen:

As you are aware, the interest rate for the Notes are based on the 1-Month LIBOR Rate (as defined in the Notes), plus 2.5%, multiplied by 0.67 (collectively, the “Existing Index Rate”). The 1-Month LIBOR Rate will no longer be available after June 30, 2023. The terms of the Notes with respect to the monthly resetting of the interest rate provide, in part, as follows:

“If on any Reset Date, the 1-Month LIBOR Rate is no longer used by the Lender as its index for adjustment, or is no longer available, the Lender will select a new index for adjustment which is based upon comparable information and give the City and Borrower written notice of the selected new index.”

The Lender hereby notifies you that for each Reset Date (as defined in the Notes) occurring on or after July 1, 2023, the Existing Index Rate shall be replaced with a rate per annum equal to (a) the sum of (i) 2.5% and (ii) the Benchmark, which is initially Fallback Rate (SOFR), as those terms are defined in the Allonges to each of the Notes included with this Notice, (b) multiplied by 0.67 (collectively, the "Replacement Index Rate"). The Replacement Index Rate is a rate that is comparable to the Existing Index Rate.

Enclosed herewith are an Allonge to each of the Notes which evidence the new Replacement Index Rate for the Notes. Terms not defined herein are defined in the Allonges to Notes. We request that the City of Arden Hills, Minnesota, as Issuer of the Notes, and Presbyterian Homes of Arden Hills, Inc., as the Borrower, upon approval respectively, execute the enclosed Allonges to Notes and return them to the undersigned at the following address:

Bremer Bank, National Association
225 South Sixth Street, Suite 300
Minneapolis, MN 55402
Attn: Jenny Blake

We also request that bond counsel provide an update to its opinion confirming the execution and delivery of the Allonges to Notes will not adversely affect the tax-exempt status of the Notes.

Bremer Bank, National Association

By: Jennifer Blake
Its: Vice President

/enclosure