

Oregon Facilities Authority

Minutes of Meeting of

April 9, 2018

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on April 9, 2018, commencing at approximately 12:00 p.m. at 888 SW Fifth Avenue, Suite 1600, Portland, Oregon.

Authority Members participating in the meeting (in person, unless otherwise indicated) were: Chair Martha McLennan, Vice-Chair Eric Johansen, and Authority Members Beth deHamel, Karen Weylandt and Allyson Anderson (by telephone, beginning at 1 pm).

Participating in the meeting to assist the Authority were: Gwendolyn Griffith, Executive Director of the Authority; Patrick Clancy and Duncan Brown of PFM, Financial Adviser; Michael Schrader and Douglas Goe of Orrick, Herrington and Sutcliffe LLP, Lead Bond Counsel; Lee Anaya of the Office of the State Treasurer ("OST"); and Assistant Attorney General David Elott, Oregon Department of Justice.

Chair McLennan called the meeting to order and presented the notice of meeting.

Discussion of H.R. 5003

Mr. Johansen described H.R. 5003 for the Board, a federal bill that would restore the ability for nonprofits and state/local governments to advance refund tax-exempt municipal debt. Ms. Griffith queried if OFA should write a letter similar to the Oregon Municipal Debt Advisory Commission included in the Agenda book. Mr. Anaya will consult with OST and report back.

Executive Director Reports

Ms. Griffith directed the Board's attention to the Bonding Report and General Report, both of which were included with the materials. Lead Bond Counsel described the reorganization of the Clackamas Hospital Authority, which has begun approving transactions that might otherwise come to OFA. It apparently is still sorting out its issuance rules and fees to be charged. The Board discussed the secondary market with respect to minimum denominations. The Board inquired about the fee schedules of other local Authorities. Ms. Griffith will confer with the Financial Advisor and others and report on this issue.

Approval of Minutes

The Minutes of the meeting of March 21, 2018, were unanimously approved.

The Board took a brief recess and reconvened at approximately 1:05 p.m. Ms. Anderson joined the meeting.

Consideration of Preliminary Approval for the Application by Arco Iris Spanish Immersion School, for an OFA Traditional Bond in an approximate amount of \$9,500,000.

Ms. Christa Billings, Board President, Mr. Robert Timmons, Board Treasurer, and Ms. Becky Schiefelbein, Project Manager, appeared on behalf of the Applicant to present the application. Mr. David Robertson of Lewis Young Robertson & Burningham, Inc., Financial Advisor to the Applicant, appeared to assist with the presentation.

Ms. Billings summarized the history of the Applicant, and the goals of the Project. Her presentation materials are available upon request. The Applicant is an Oregon charter school that was established in 2010. It serves approximately 316 students in grades 1-8 in Beaverton. This Project will allow the Applicant to increase capacity through the acquisition and remodeling of a new facility, which will allow an expansion to include additional classrooms and two kindergarten classes. Anticipated growth enrollment is about 500 students.

Mr. Robertson described the terms of the financing. This will be a sale to one or more qualified institutional buyers ("QIBs"). There will be a 10-year initial term during which the interest rate will be fixed. The principal is amortized over 30 years.

Bond Counsel's report is included in the materials. Mr. Schrader reviewed the issuance rules of the Authority relating to limited offerings to QIBS. He described the transaction as similar to two previous charter school transactions closed through OFA. He reported on his ongoing conversations with the financing team, in which no unusual issues were identified. If preliminary approval is given, Bond Counsel would conduct its usual tax and state law diligence and would prepare the documents. Mr. Schrader recommended the transaction for preliminary approval.

The Financial Advisor's report is included in the materials. Mr. Clancy reported on his conversations with the Applicant, and that the Applicant appears to understand the program and the financing. He reported that the application was consistent with his discussions with the Applicant.

The Executive Director's report is included in the materials. Ms. Griffith reported on her conversations with the Applicant and its Financial Advisor. She expects a smooth transaction and reported that if preliminary approval is given, the financing team would expect to seek final approval in June and an end-of-June or early July closing.

After discussion, Mr. Johansen moved that the Authority adopt Resolution 2018-2, granting preliminary approval to Arco Iris Spanish Immersion School for an OFA Traditional Bond in an approximate amount of \$9,500,000. Ms. deHamel seconded the motion, and Resolution 2018-2 was unanimously approved.

Ms. McLennan asked for any public comment. There was none.

There being no further business to come before the meeting, the meeting was adjourned at approximately 2:00 pm.

/s/ Martha McLennan
Martha McLennan, Chair

/s/ Gwendolyn Griffith
Gwendolyn Griffith, Executive Director

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