

Oregon Facilities Authority

Minutes of Special Meeting of

July 19, 2018

A duly called special meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on July 19, 2018, commencing at approximately 4:00 p.m. at 888 SW Fifth Avenue, Suite 1600, Portland, Oregon.

Authority Members participating in the meeting (in person, unless otherwise indicated) were: Vice-Chair Eric Johansen, and Authority Members Sean Hubert, J. Kevin McAuliffe (on the phone) and Roy Kim.

Participating in the meeting to assist the Authority were: Gwendolyn Griffith, Executive Director of the Authority; Duncan Brown of PFM (on the phone) and Pat Clancy, Financial Advisers; Michael Schrader (on the phone), Douglas Goe (on the phone), Scott Schickli, Steven White and Angie Gardner of Orrick, Herrington and Sutcliffe LLP, Lead Bond Counsel; Laura Lockwood-McCall, Lee Anaya and Alice Bibler of the Office of the State Treasurer ("OST"); and Assistant Attorney General Steven Marlowe, Oregon Department of Justice ("DOJ") (on the phone).

Vice-Chair Johansen called the meeting to order and presented the notice of meeting.

Consideration of Conditional Final Approval for the Application by Arco Iris Spanish Immersion School for an OFA Traditional Bond in an amount not to exceed \$12,100,000.

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

Mr. Schrader summarized the structure of the transaction and its progress to date.

Ms. Billings thanked the OFA Board for its flexibility in holding a special meeting to accommodate the timeline of this Project, which requires closing by the end of the month. Ms. Schiefelbein described the outstanding Project matters. The land use permits were unanimously approved, with minor requests regarding signage to assist with traffic flow. Ms. Schiefelbein described the unexpected costs as a result of seismic retrofitting and the removal of a structural beam, which led to the increased bond amount. She also reported that the fire and safety permits were still in review but were expected to be issued by closing. Ms. Billings summarized remaining the outstanding permits including electrical, HVAC and roofing, all of which are expected to be final by July 31, 2018.

Ms. Billings reported that the School hired a new Director as of June 17. She also explained that the Board will meet again shortly to approve the increase to the \$12.1 million Bond amount.

Mr. Robertson thanked the Board for its patience. He then presented the details of the Bond. The term of the bond is 10 years, and amortizable over 30 years. It will have a fixed 10-year interest rate. The tax-exempt portion will be fixed at 6.25% and the taxable tail will be fixed at 7.0%.

The Financial Adviser's report is included in the materials. Mr. Clancy reported on his conversations with the Applicant, and presented a timeline.

Bond Counsel's report is included in the materials. Mr. Schrader distributed a revised form of Resolution, which changed the recommendation to conditional final approval in the Resolution. Mr. Schrader presented the conditions that must be met under Section 3 of the Resolution. He also reported that diligence was complete and the forms of opinion letters have been approved. Mr. Schrader recommended the transaction for conditional final approval.

The Executive Director's report is included in the materials. Ms. Griffith expressed her appreciation to the financing team for their hard work in keeping this transaction moving forward. Ms. Griffith recommended the transaction for conditional final approval.

After discussion, Mr. Hubert moved that the Authority adopt Resolution 2018-7, granting conditional final approval to Arco Iris Spanish Immersion School for an OFA Traditional Bond in an amount not to exceed \$12,100,000, and recommending that the State Treasurer consider issuing the bonds with the conditions described in the Resolution have been satisfied. J. Kevin McAuliffe seconded the motion and Resolution 2018-7 was unanimously approved.

Vice-Chair Johansen asked for any public comment. There was none.

There being no further business to come before the meeting, the meeting was adjourned at approximately 4:50 pm.

/s/Eric Johansen
Eric Johansen, Vice-Chair

/s/Gwendolyn Griffith
Gwendolyn Griffith, Executive Director

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