

Oregon Facilities Authority
Minutes of Meeting of
February 10, 2020

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on February 10, 2020, 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 Eric Johansen, Vice-Chair Kevin McAuliffe, and Authority Members Roy Kim, Andrea Trenner, Beth deHamel (by phone beginning at 1:15 PM), and Sean Hubert (by phone beginning at 1:00 PM)

Participating in the meeting to assist the Authority (in person, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director of the Authority; Duncan Brown of PFM, Financial Advisor to the Authority; Carol McCoog of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel, Christine Reynolds, Doug Goe, and Greg Blonde of Orrick, Herrington and Sutcliffe LLP, Lead Bond Counsel; Lee Helgeson and Laura Worth of the Office of the State Treasurer ("OST"); and Assistant Attorney General Cynthia Byrnes (by phone), Oregon Department of Justice ("DOJ").

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

Approval of Minutes

The Minutes of the meeting of January 13, 2020, were unanimously approved.

Presentation by Connor McDonnell of Oregon Housing & Community Services

Mr. Conner McDonald, Housing Integrator, made a presentation to the Authority Board regarding efforts by Oregon Housing & Community Services ("OHCS") to address homelessness issues. The Oregon Legislature allocated funds to OHCS for distribution to communities to build homeless shelters and OHCS hopes for another allocation in the current session. In discussion, it became clear that OHCS and OFA could collaborate productively for the benefit of the project if a nonprofit applied for the OHCS funds and wanted to finance the purchase, construction or remodeling of a facility. Mr. McDonnell believed that this would be more do-able in the second round of funding. The Board thanked Mr. McDonnell for his time and for the excellent information he provided.

Mr. McDonnell's presentation materials are available upon request.

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. Ms. Griffith presented the new Annual Reports and Annual Report announcement postcards. Mr. Brown led a discussion of potential Borrowers from 2010 that might return to OFA in the near future for refinancing.

A brief recess occurred to allow the Board to change rooms. Authority Members, Mr. Hubert and Beth deHamel joined the meeting by phone.

Consideration of Conditional Final Approval for the application by Lewis & Clark College for an OFA Traditional Bond in an amount not to exceed \$155,000,000.

Mr. Marinus Wim Wiewel, President, and Ms. Andrea Dooley, Chief Financial Officer and VP of Operations, appeared on behalf of the Applicant. Mr. Steven Hass (by phone) of the financial advisory firm to the Applicant, PFM Financial Advisors, and Mr. Oliver Zlomislic (by phone) of the underwriting firm, Morgan Stanley, appeared to assist with the presentation.

The Applicant's presentation materials are available upon request. Mr. Wiewel and Ms. Dooley offered an update on the activities of the financing team since the last meeting and reviewed the potential use of proceeds. The choice of projects will depend upon donor interest, among other factors. Ms. Dooley presented the timeline of when ratings reports would become available. Discussion ensued about the possibility that the ratings could change from those expected, and the Applicant's plans for addressing that possibility.

Mr. Zlomislic reviewed the plan of finance and reviewed the Applicant's desire for taxable bonds with a municipal bond structure, which allows access to investors who are familiar with this structure while taking advantage of low taxable interest rates.

The Financial Advisor's report is included in the materials. Mr. Brown recommended the transaction for conditional final approval.

Bond Counsel's report is included in the materials. Ms. Reynolds recommended the transaction for conditional final approval.

The Executive Director's report is included in the materials. Ms. Griffith recommended the transaction for conditional final approval.

The Board discussed the specific conditions contained in the resolution, and asked Bond Counsel to revise the Resolution to reflect a ratings reports condition of "Baa1" or better by Moody's and "BBB+" or better by S&P Global Ratings" on the Bonds.

After discussion, Mr. McAuliffe moved that Resolution 2020-2:

A) be revised (Section 3) to reflect that the conditional final approval is conditional upon (1) receipt of ratings of "Baa1" or better by Moody's and "BBB+" or better by S&P Global Ratings on the Bonds; (2) confirmation that all legal and other requirements for the sale, issuance and delivery of the Bonds have been satisfied; and (3) no material adverse change has occurred with respect to the Bonds, as determined by the OFA Executive Director, in consultation with the State Treasurer, the Authority's bond counsel and the Authority's financial advisor; and

B) as revised, be approved, granting conditional final approval to Lewis & Clark College for an OFA Traditional Bond in an approximate amount of \$155,000,000, and

recommending to the Office of the State Treasurer that it consider issuing the bonds when the conditions have been satisfied.

Mr. Kim seconded the motion and Resolution 2020-2 was unanimously approved.

Consideration of Conditional Final Approval for the application by Legacy Health for an OFA Traditional Bond in an amount not to exceed \$155,000,000.

Ms. Jennifer New, Director of Treasury, appeared on behalf of the Applicant. Mr Scott Ely (by phone) of the underwriting firm, JP Morgan Chase Bank, and Ms. Holly Houston Benedict (by phone) of the financial advisory firm, Ponder & Co., appeared to assist with the presentation.

The Applicant's presentation materials are available upon request. Ms. New offered an update on the changes of leadership since the Applicant last appeared before OFA in 2016. This is Legacy's fifth Application to the Authority. Ms. New discussed the vision and values of Legacy Health, which include being the safest place to receive and deliver care. The Project is a refunding of the Series 2010A bonds with a private placement with JP Morgan Chase Bank.

The Financial Advisor's report is included in the materials. Mr. Brown recommended the transaction for conditional final approval.

Bond Counsel's report is included in the materials. Mr. Blonde recommended the transaction for conditional final approval.

Ms. Griffith explained she has a conflict of interest because the law firm in which she is a partner provides legal representation to the Applicant. As a result, she did not provide any recommendation relating to this transaction.

Mr. Lee Helgerson and Ms. Laura Worth, on behalf of OST, recommended the transaction for conditional final approval.

After discussion, Mr. McAuliffe moved that the Authority adopt Resolution 2020-3, granting conditional final approval to Legacy Health for an OFA Traditional Bond in an amount not to exceed \$24,800,000. Ms. Trenner seconded the motion. Resolution 2020-3 was unanimously approved.

The Chair asked for public comment. There was none.

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

/s/ Eric H. Johansen
Eric H. Johansen, Chair

/s/ Gwendolyn Griffith
Gwendolyn Griffith, Executive Director