

Oregon Facilities Authority
Minutes of Meeting of
March 9, 2020

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on March 9, 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 (by phone), and Authority Members Sean Hubert (by phone), Andrea Trenner, and Beth deHamel (by phone).

Participating in the meeting to assist the Authority (in person, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director of the Authority; Duncan Brown and Fred Eoff of PFM, Financial Advisor to the Authority; Carol McCoog (by phone until 1:00 PM) of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel, Michael Schrader, Doug Goe (by phone until 1:00 PM), Christine Reynolds, and Greg Blonde of Orrick, Herrington and Sutcliffe LLP, Lead Bond Counsel; Lee Helgerson 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 March 9, 2020, were unanimously approved.

Presentation by Christine Reynolds of Orrick, Herrington & Sutcliffe LLP regarding SEC Recommendations

Ms. Christine Reynolds offered a presentation on the recent recommendations made by the SEC in the municipal bond arena. The rationale for the recommendations is protection of investors from possible shortcomings in the municipal bond market. She observed that many of the recommendations would require legislative changes, which are not likely in this environment.

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 led a discussion on the approval process as outlined in the Oregon Administrative Rules. The sense of the Board was that a smaller working group should convene to make recommendations about any changes to these rules.

A brief recess occurred to allow the Board to change rooms.

Consideration of Preliminary Approval for the application by Samaritan Health Services for an OFA Traditional Bond in an approximate amount of \$91,150,000.

Mr. Dan Smith, SVP & CFO, Mr. Tyler Jacobsen, VP and General Counsel, and Ms. Nancy Fry, Corporate Controller, appeared on behalf of the Applicant. Mr. Duncan Brown of the financial advisory firm to the Applicant, PFM Financial Advisors, and Mr. Steve Proeschel (by phone) and Mr. Keith Kleven (by phone) of the underwriting firm, Piper Sandler & Co., appeared to assist with the presentation.

The Applicant's presentation materials are available upon request. Mr. Smith and Ms. Fry presented on Samaritan Health Services' facilities service area. They described the intended use of the bond proceeds is to refund the outstanding 2010 OFA bonds, which were issued for a variety of qualifying projects, and for the costs of issuance.

Mr. Brown presented the plan of finance and explained the bonds would be issued in the retail market, and will be rated by S&P Global Ratings. Mr. Brown reported that Samaritan is expecting a stable rating.

The Financial Advisor's report is included in the materials. Mr. Eoff reported that his understanding of the transaction is consistent with that described by the Applicant and its financial advisor. He reviewed the structure of the transaction and previous ratings of the Applicant for the Board's consideration. Mr. Eoff recommended the transaction for preliminary approval.

Bond Counsel's report is included in the materials. Mr. Blonde reported that the financing team has been at work on the transaction for some months, and described the diligence and document preparation process that will occur if preliminary approval is granted. Mr. Blonde recommended the transaction for preliminary approval.

The Executive Director's report is included in the materials. Ms. Griffith reported that the Applicant is a familiar Borrower at OFA. She noted that the financing team has already begun working and documents are well on their way to being final. Ms. Griffith reported that if approval is given, she expects the Applicant to return to OFA for final approval at the April meeting. Ms. Griffith recommended the transaction for preliminary approval.

After discussion, Ms. Trenner moved that the Authority adopt Resolution 2020-4, granting Preliminary Approval to Samaritan Health Services, Inc. for an OFA Traditional Bond in an approximate amount of \$91,150,000. Mr. McAuliffe seconded the motion. Resolution 2020-4 was unanimously approved.

Consideration of Preliminary Approval for the application by Oregon Museum of Science and Industry for an OFA Traditional Bond in an approximate amount of \$8,000,000.

Mr. Tim Mack, Vice President-Finance & Analysis, appeared on behalf of the Applicant. Mr. Marc Stasiowski (by phone) and Ms. Wendy Yuvenco (by phone) of the purchasing bank, Wells Fargo Bank, N.A., appeared to assist with the presentation.

The Applicant's presentation materials are available upon request. Mr. Mack offered a presentation on the history of the Museum and the scope of the project, which includes

refinancing of the 2015 OFA Bonds, and borrowing funds for replacement of the Applicant's roof. The structure of the Applicant's unique roof was described in some detail.

Mr. Stasiowski described the plan of finance, reporting the transaction will be a private placement with Wells Fargo Bank with a 10-year fixed rate and 20 year amortization.

The Financial Advisor's report is included in the materials. Mr. Brown reported that the Applicant is a repeat borrower with OFA and that the transaction closely resembles a SNAP. Mr. Brown recommended the transaction for preliminary approval.

Bond Counsel's report is included in the materials. Mr. Schrader recommended the transaction for preliminary 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 Bank. 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 preliminary approval.

After discussion, Ms. Trenner moved that the Authority adopt Resolution 2020-5, granting Preliminary Approval to Oregon Museum of Science and Industry for an OFA Traditional Bond in an approximate amount of \$8,000,000. Ms. deHamel seconded the motion. Resolution 2020-5 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

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