

Oregon Facilities Authority
Minutes of Meeting of
January 11, 2021

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on January 11, 2021, commencing at approximately 1:00 p.m. The physical location of the meeting was at 888 SW Fifth Avenue, Suite 1600, Portland, Oregon. The meeting was held by Zoom teleconference.

Authority Members participating in the meeting (via Zoom, unless otherwise indicated) were: Chair Eric Johansen, Vice-Chair Kevin McAuliffe, and Authority Members Beth deHamel, Sean Hubert, Andrea Trenner, and Erika Patton.

Participating in the meeting to assist the Authority (via Zoom, unless otherwise indicated) were: Gwendolyn Griffith, Executive Director of the Authority (in person); Duncan Brown and Maggie Marshall of PFM, Financial Advisor to the Authority; Kevin Quinn of Wye River Group, alternate Financial Advisor to the Authority; Carol McCoog and Jennifer Cordova of Hawkins Delafield & Wood LLP, SNAP Loan and Special Bond Counsel; Doug Goe, Michael Schrader, Greg Blonde, and Steven White of Orrick Herrington and Sutcliffe LLP, Lead Bond Counsel; Lee Helgeson, and Laura Worth of the Office of the State Treasurer ("OST"); and Senior Assistant Attorney General Sam Zeiglar, Oregon Department of Justice ("DOJ").

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

Election of Officers for 2021.

Mr. Roy Kim was nominated for Vice-Chair and was unanimously approved. Although OFA's procedures generally require that a new Chair be elected after two years of service, given that the current Vice-Chair, Mr. McAuliffe, will not be serving as Chair, it would be helpful to have Mr. Johansen continue as Chair. Mr. Johansen was unanimously elected as Chair.

Consideration of Final Approval for the application by CHF-Ashland, L.L.C. for an OFA Traditional Bond in an amount not to exceed \$50,000,000.

Mr. William Givhan, President of Collegiate Housing Foundation, the sole member of the Applicant, appeared on behalf of the Applicant. Mr. Greg Perkinson, Vice President for Finance & Administration, Mr. Steve Larvick, Director of Business Services, and Mr. Jason Catz, General Counsel appeared on behalf of Southern Oregon University ("SOU") to assist in the presentation. Ms. Sara Russell and Mr. Michael Baird, of RBC Capital Markets, LLC, appeared to assist with the presentation.

Ms. Russell presented a summary of the Project. The Series 2012 Bonds financed the construction of a student housing facility of 702 beds located on the campus of SOU. The goal of advance refunding of the original Series 2012 Bonds is to give the Applicant, and thus SOU, some breathing room to get through the pandemic. Ms. Russell provided an update on the status, reporting that the ratings have been confirmed as BBB- with a negative outlook (S&P) and Baa3 with a stable outlook (Moody's). The bonds are insured through Assured Guaranty, which is

rated AA and A2 by S&P and Moody's, respectively. Because these are advance refunding bonds, they produce taxable, not tax-exempt, interest.

The Applicant's presentation materials are available upon request.

Mr. Perkinson and Mr. Larvick reported that from SOU's perspective, all issues have been resolved and the transaction is ready to close. They expressed SOU's appreciation to OFA and the financing team for providing this pathway to allow the student housing facility to weather the impacts of COVID.

The Financial Advisor's report is included in the materials. Mr. Brown reported that the transaction is on schedule and continues to meet the Authority's requirements for ratings. Mr. Brown explained that Treasury rates have steadily increased so the transaction produces net present value savings structure between \$2.4 – 4 million at this time. Mr. Brown recommended the transaction for final approval.

Bond Counsel's report is included in the materials. Mr. Schrader reported that this is a complex restructuring transaction, but all the pieces have come together and all issues appear to be resolved. All opinions are in hand and diligence is complete. Mr. Schrader recommended the transaction for final approval.

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

After discussion, Mr. McAuliffe moved that the Authority adopt Resolution 2021-1, granting Final Approval to CHF-Ashland L.L.C. for an OFA Traditional Bond in an amount not to exceed \$50,000,000. Ms. Patton seconded the motion. Resolution 2021-1 was unanimously approved.

Consideration of Conditional Final Approval of certain amendments and waivers with respect to the 2016 Series A and 2016 Series C Bond documents for Willamette University, relating to the proposed merger of the Pacific Northwest College of Art into Willamette University.

Mr. Daniel Valles, Vice President for Finance and Treasurer, appeared on behalf Willamette University. Mr. Valles summarized the rationale for the merger, highlighting the benefits of cost reduction for overhead costs and the potential for development of new programs. Bond Counsel reported that the merger is contingent upon approval by the U.S. Department of Education. Willamette has engaged special counsel to advise it on obtaining that approval, but the timing of the approval is uncertain.

After discussion, Mr. McAuliffe moved that the Authority adopt Resolution 2021-3, granting Conditional Final Approval to Willamette University for certain amendments and waivers with respect to the 2016 Series A and 2016 Series C Bond documents relating to the proposed merger of the Pacific Northwest College of Art into Willamette University. Ms. deHamel seconded the motion. Resolution 2021-3 was unanimously approved.

Consideration of Final Approval for the application by Oregon Episcopal School for an OFA Traditional Bond in an amount not to exceed \$18,100,000.

Ms. Mo Copeland, Head of School, and Ms. Gretchen Reed, CFO, appeared on behalf of the Applicant. Ms. Natasha Walth, of First Republic Bank, appeared to assist the Applicant with the presentation.

Ms. Reed presented changes in the structure since Preliminary Approval, highlighting the decision to terminate the SWAP with the Applicant's funds rather than using OFA financing for this purpose. The School also increased the amount of new money to be borrowed for the new athletic center, offsetting the amount it originally planned to contribute from its own funds.

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

Bond Counsel's report is included in the materials. Ms. McCoog reported this has been a smooth transaction and recommended the transaction for final approval.

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

After discussion, Mr. McAuliffe moved that the Authority adopt Resolution 2021-2, granting Final Approval to Oregon Episcopal School for an OFA Traditional Bond in an amount not to exceed \$18,100,000. Mr. Hubert seconded the motion. Resolution 2021-2 was unanimously approved.

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.

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 2:35 p.m.

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

/s/ Gwendolyn Griffith
Gwendolyn Griffith, Executive Director
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