

**Oregon Facilities Authority
Minutes of Meeting of
March 8, 2021**

A duly called meeting of the Oregon Facilities Authority ("OFA" or the "Authority") was held on March 8, 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 Roy Kim, and Authority Members Kevin McAuliffe, 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 of PFM, Financial Advisor to the Authority; Carol McCoog 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 Helgerson, 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.

Consideration of Conditional Final Approval for the application by Pacific Retirement Services, Inc. for an OFA Traditional Bond in an amount not to exceed \$43,000,000.

Ms. Mary Schoeggl, Chief Financial officer, appeared on behalf of the Applicant (also referred to as "PRS"). Ms. Amy Hayman, of Piper Sandler & Co., appeared to assist with the presentation.

Ms. Schoeggl reviewed the history and mission of the Applicant. PRS is headquartered in Medford, Oregon and develops, operates, and manages more than 50 retirement communities and services organizations in six states. Ms. Schoeggl described each property and nonprofit involved in this financing (Holladay Park Plaza in Portland, Cascade Manor in Eugene, and Mirabella in Seattle) and reviewed the benefits to PRS of forming an obligated group composed of these nonprofit entities. PRS will act as representative for the obligated group and will not be a member of the group. Ms. Schoeggl also described PRS' approach to the COVID emergency and was pleased to report that almost all of the residents of the facilities involved in the financing have been vaccinated.

Ms. Schoeggl described the current financing structure for the members of the obligated group. Subordinate lenders on the Seattle Mirabella project have agreed

to be redeemed at a discount if the transaction can close before March 31, which is why PRS is asking for a conditional final approval. The overall savings for the financing is just under \$4 million NPV. There are other benefits of creating an obligated group as well, such as savings on audit costs. The Project is a refinancing of existing debt, involving a 10-year commitment, privately placed with Washington Federal Bank. The total financing includes \$135 million, though only the debt attributable to Holladay Park and Cascade Manor (not to exceed \$43 million) is being financed through OFA. The remaining amounts will be financed through OFA's sister agency in Washington.

Ms. Schoeggl thanked the Authority for the opportunity to present PRS' request for conditional final approval. The Applicant's presentation materials are available upon request.

The Financial Advisor's report is included in the materials. Mr. Brown reported that while the transaction is complicated, it is essentially a bank placement. Mr. Brown observed that PRS is a sophisticated, experienced borrower. All business terms appear to be final. Mr. Brown noted that the Applicant has an independent financial advisor. Mr. Brown recommended the transaction for conditional final approval.

Bond Counsel's report is included in the materials. Mr. Blonde reviewed the structure of the bonds to be purchased by Washington Federal and the structure of the PRS obligated group. He explained that each member of the obligated group would be jointly and severally liable for the repayment of bonds. Mr. Goe explained the process of asking Washington for permission for OFA to issue the Bonds. While PRS and others made compelling arguments, the Washington authority was unwilling to allow PRS to issue in a single transaction through OFA. Mr. Blonde described the status of the bond documents as being in substantially final form, and that most of the other documents were quite close to being final, as is diligence. He also summarized the conditions on the conditional final approval: (1) bond documents remain in substantially final form; (2) confirmation that there has been no substantial deviation from the transaction described in this meeting; (3) no material transaction issues or policy issues have arisen; and (4) all legal and other conditions have been met (the usual "catchall" condition). As always with a conditional final approval, OST, OFA and Bond Counsel must agree that all conditions have been met. Mr. Blonde recommended the transaction for conditional final approval.

The Executive Director's report is included in the materials. Ms. Griffith thanked the financing team for their hard work, and recommended the transaction for conditional final approval.

After discussion, Mr. Kim moved that the Authority adopt Resolution 2021-4, granting Conditional Final Approval to Pacific Retirement Services, Inc. for an OFA Traditional Bond in an amount not to exceed \$43,000,000, and

recommending that the State Treasurer consider issuing the Bonds when the conditions have been met. Mr. Hubert seconded the motion. Resolution 2021-4 was unanimously approved.

Approval of Minutes

The Minutes of the meeting of December 14, 2020, and January 11, 2021 were unanimously approved.

Honoring Departing Board Member Both deHamel

The Chair announced that Ms. deHamel is departing Oregon and is concluding her time on the OFA Board. Fellow Board members and OFA advisors shared their thanks and appreciation of Ms. deHamel's contributions to OFA over the years. Laura Lockwood-McCall, the former Director of the Debt Management Division of OST, made a cameo appearance to thank Ms. deHamel for her many contributions to OFA.


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 2:40 p.m.


Eric H. Johansen, Chair


Jessica Morgan, Associate Executive Director
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