

AGENDA BOOK
OREGON FACILITIES AUTHORITY
Business Meeting

August 14, 2023

Tonkon Torp LLP

888 SW Fifth Ave., Suite 1600, Portland, OR 97204

**SUMMARY AGENDA
OREGON FACILITIES AUTHORITY
Business Meeting
August 14, 2023
12:00 PM – 1:00 PM – OFA Business
1:00 PM – 3:00 PM – Bond Applications
888 SW Fifth Ave., Suite 1600, Portland, OR
And by Zoom conference and telephone (see below)**

Tab	Item	Action Required
1	Approval of Minutes of July 10, 2023	Yes
2	Executive Director's Reports <i>Bonding Report</i> <i>General Report</i> <i>Other Matters</i>	No
	Consideration of Budget for FY 2023-2024 – Part 1	No
3	Informational Items	No
	<i>Brief Recess</i>	
4	Consideration of Conditional Final Approval for the application by City View Charter School for an OFA Traditional Bond in an amount not to exceed \$20,000,000	Yes
5	Consideration of Conditional Final Approval for the application by Centurion Foundation North Graham Street, LLC for an OFA Traditional Bond in an amount not to exceed \$39,000,000	Yes
	Other Matters for the Authority	No
	Public Comment	No

The physical location of the meeting is:
888 SW Fifth Avenue, Suite 1600, Portland, OR 97204

To attend by video conference:
<https://tonkon.zoom.us/j/92910796828?pwd=c2IxQVdJT0k0UTNHUjFaVTFObU43QT09>

**To attend by teleconference, dial by your closest location
then enter meeting ID and passcode:**
(Tacoma) 253-215-8782 (Chicago) 312-626-6799, or (New York) 646-558-8656
Meeting ID: 929 1079 6828; Passcode: 281 854

OFA helps nonprofit organizations access lower cost financing for capital projects by facilitating the issuance of tax exempt conduit revenue bonds.

WORKING AGENDA
OREGON FACILITIES AUTHORITY
August 14, 2023
888 SW Fifth Ave., Suite 1600, Portland, OR
and by Zoom conference and telephone (see below)
12:00 PM – 3:00 PM – OFA Business and Bond Applications

<u>Tab</u>	<u>Discussion and Action</u>	<u>Time</u>
1.	Approval of Minutes of Meeting of July 10, 2023	12:05 – 12:10
2.	Executive Director’s Reports <i>Bonding Report</i> <i>General Report</i> <i>Other Matters</i>	12:10 – 12:30
	Consideration of Budget for FY 2023-2024 – Part 1	12:30 – 12:50
3.	Oregon Bond Calendar and Other Items – Informational Only	12:50 – 12:55
	<i>Meeting recess to change rooms</i>	
4.	Consideration of Conditional Final Approval for the application by City View Charter School for an OFA Traditional Bond in an amount not to exceed \$20,000,000	1:05 – 1:45

We will hear from:

Applicant:	Ms. Nicole Kopacz, Executive Director, and Ms. Mivsam Yekutiel, Treasurer & Finance Committee Chair
Underwriter:	Mr. Nick Hagen, Piper Sandler & Co.
OFA Financial Advisor:	Mr. Kevin Quinn, First Tryon Advisors LLC
Bond Counsel:	Mr. Michael Schrader, Orrick, Herrington & Sutcliffe LLP
OFA Executive Director:	Ms. Gwendolyn Griffith

Possible action: *Approval of Resolution 2023-11, granting Conditional Final Approval to City View Charter School for an OFA Traditional Bond in an amount not to exceed \$20,000,000, in both taxable and nontaxable series, and recommending that the State Treasurer consider issuing the Bonds when the conditions outlined in Resolution 2023-11 are satisfied.*

5.	Consideration of Conditional Final Approval for the application by Centurion Foundation North Graham Street, LLC for an OFA Traditional Bond in an amount not to exceed \$39,000,000	1:45 – 2:30
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We will hear from:

Applicant:	Mr. Benjamin M. Mingle, President, and Mr. Steve Lovoy, Vice President of Operations, Centurion Foundation
Seller / Lessee:	Ms. Anna Loomis and Ms. Sara Jensen, Legacy Health
Bond Counsel:	Ms. Carol McCoog, Hawkins, Delafield & Wood LLP

OFA Financial Advisor: Mr. Kevin Quinn, First Tryon Advisors LLC
OFA Executive Director: Ms. Griffith will not make a recommendation.

*Advisors to the Applicant will attend the meeting
to answer any other questions that may arise.*

Possible action: *Approval of Resolution 2023-12, granting Conditional Final Approval to Centurion Foundation North Graham Street, LLC for an OFA Traditional Bond in an amount not to exceed \$39,000,000, in both taxable and nontaxable series, and recommending that the State Treasurer consider issuing the Bonds when the conditions outlined in Resolution 2023-12 are satisfied.*

**Public Comment: No Action Required
Other Matters for the Authority: No Action Required**

To attend by video conference:

<https://tonkon.zoom.us/j/92910796828?pwd=c2IxQVdJT0k0UTNHUjFaVTFObU43QT09>

**To attend by teleconference, dial by your closest location
then enter meeting ID and passcode:**

(Tacoma) 253-215-8782 (Chicago) 312-626-6799, or (New York) 646-558-8656

Meeting ID: 929 1079 6828; Passcode: 281 854

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TAB 1

Oregon Facilities Authority
Minutes of Meeting of
July 10, 2023

A duly called meeting of the Oregon Facilities Authority (“OFA” or the “Authority”) was held on July 10, 2023, commencing at approximately 1:00 p.m. The meeting was held exclusively by Zoom teleconference.

Authority Members participating in the meeting via Zoom were: Chair Roy Kim, Vice Chair Andrea Zamora, Authority Members Kathleen Cornett, Eric Johansen, Erika Patton, Erick Petersen, and Sean Hubert.

Participating in the meeting to assist the Authority via Zoom were: Gwendolyn Griffith, Executive Director, Oregon Facilities Authority; Doug Goe, Greg Blonde, and Michael Schrader, of Orrick Herrington and Sutcliffe LLP, Lead Bond Counsel; Duncan Brown and Maggie Marshall of PFM Financial Advisors LLC; Financial Advisor to the Authority; Laura Worth and Kottur Vasanth of the Office of the State Treasurer; and Senior Assistant Attorney General Sam Zeigler, Oregon Department of Justice.

Chair Roy Kim called the meeting to order and presented the notice of meeting.

Mr. Kim asked if there were any conflicts of interest to declare. There were none.

Consideration of Conditional Final Approval for the application by Clackamas Charter Alliance, dba Clackamas Middle College for an OFA Traditional Bond in an amount not to exceed \$3,000,000.

Mr. Brian Sien, Principal, appeared on behalf of the Applicant. Mr. Nick Hagen of Piper Sandler & Co., the Underwriter, along with Mr. David Robertson of Lewis Young Robertson & Burningham, Inc., the Applicant’s Financial Advisor, appeared to assist with the presentation. The Applicant’s slide deck is available upon request.

Mr. Robertson presented on behalf of Applicant. He summarized the Project, which is the acquisition of the building currently leased by the Applicant (12,000 square feet) in Happy Valley, Oregon, as well as certain renovations to the facilities. Mr. Robertson explained that the transaction has evolved into a bank placement with Banner Bank, with Piper Sandler as the placement agent. The maximum dollar amount of the bond is now \$3,000,000.

Banner Bank has committed to lend the Applicant up to 70% of the appraised value of the property, so the dollar amount of the bond depends upon receipt of the Bank’s appraisal, which has been ordered and should be available sometime in July or August. The interest rate is locked in through July 31 at 5.709% for the tax-exempt

portion of the bond, and 7.558% for the taxable portion. The sole condition to final approval is receipt of an appraisal acceptable to the Bank showing that the property has a market value in excess of the amount needed to generate \$2,550,000 in bond funds, which is the minimum amount needed by the Applicant to purchase the property and complete necessary renovations.

Bond Counsel's report is included in the materials. Mr. Schrader reported that all documents were in substantially final form. He explained the transition from a limited offering to a Bank Placement with Banner Bank, and the condition to final approval being an appraised value in excess of the amount needed to generate \$2,550,000 in bond funds. Mr. Schrader recommended the transaction for conditional final approval.

The Financial Advisor's report is included in the materials. Mr. Brown reiterated that the ultimate size of the transaction is dependent on the outcome of the appraisal requested by the Bank. Mr. Brown noted that although the Applicant will own the building, it will not own the underlying land. The Applicant will assume a long-term ground lease which runs through November 2028, and may be extended for an additional four five-year terms (total of 20 years, through November 2048). Mr. Brown recommended the transaction for conditional final approval.

The Executive Director's report is included in the materials. Ms. Griffith reported that the transaction appears to be ready for conditional final approval. She explained that if the transaction changes in a material way, she would return the transaction to the OFA Board for additional discussion. She thanked the financing team for their considerable efforts in bringing this transaction to this final stage for approval. Ms. Griffith recommended the transaction for conditional final approval.

After discussion, Ms. Zamora moved that the Authority adopt Resolution 2023-10, granting Conditional Final Approval to Clackamas Charter Alliance, dba Clackamas Middle College, for an OFA Traditional Bond in an amount not to exceed \$3,000,000, conditioned upon receipt of an appraisal acceptable to Banner Bank in an amount that would generate at least \$2,550,000 of bond proceeds, and recommending that the State Treasurer consider issuing the Bond when the condition has been satisfied. Mr. Petersen seconded the motion, and Resolution 2023-10 was unanimously approved.

Approval of Minutes

The Minutes of the meeting of May 8, 2023, were 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 1:35 p.m.

Roy Kim, Chair

Gwendolyn Griffith, Executive Director
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TAB 2

OREGON FACILITIES AUTHORITY

Gwen Griffith
Executive Director

MEMORANDUM

To: Roy Kim, Chair
Andrea Trenner, Vice-Chair
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erick Petersen, Authority Member

From: Gwendolyn Griffith

Date: August 14, 2023

Subject: Executive Director’s Bonding Report as July 31, 2023

REPORT ON PENDING APPLICATIONS

<u>Applicant/Type</u>	<u>Amount Requested</u>
Clackamas Middle College (T)	\$ 4,000,000
Portland Village Charter School (T)	\$ 9,295,000
City View Charter School (T)	\$ 18,750,000

STATUS OF BONDING AUTHORITY – 2021-2023 Biennium

Summary of 2021-2023 Biennium Financing:

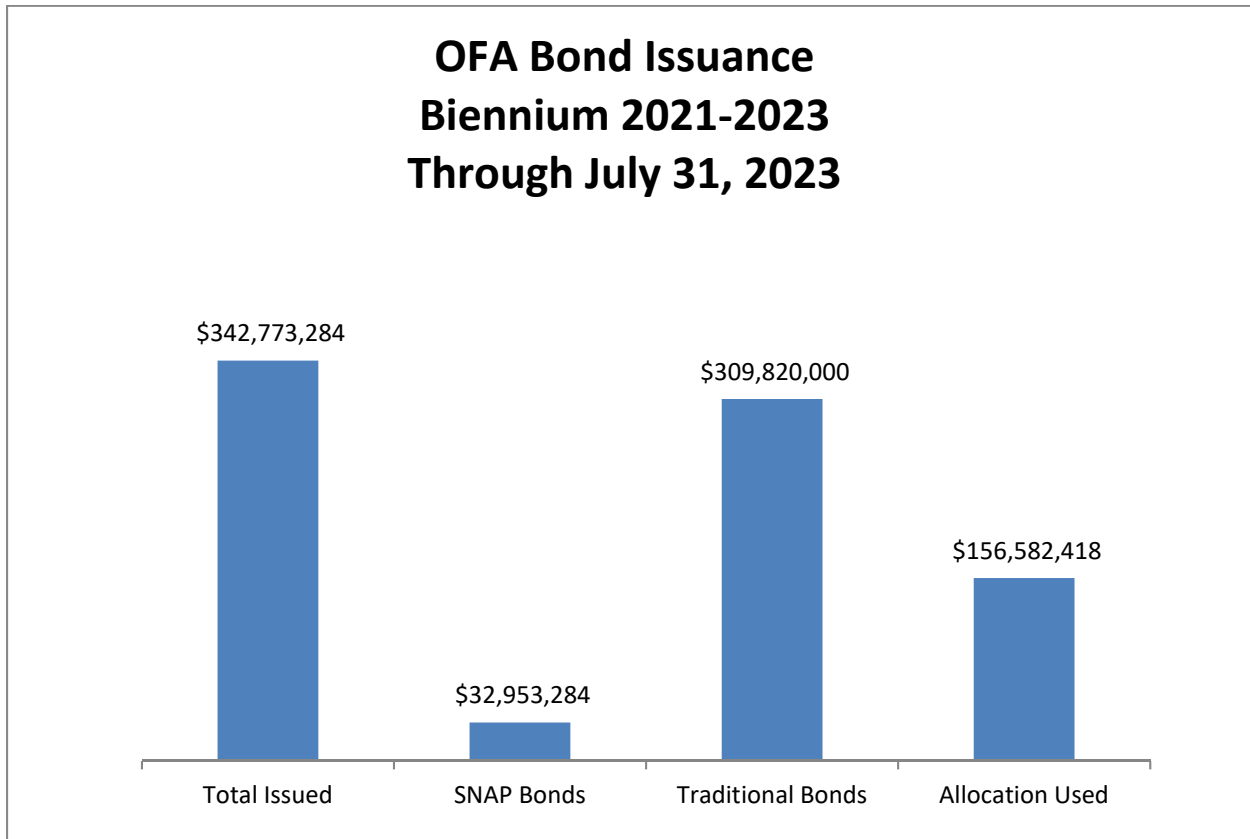
Total Authorized by Legislature	\$1,000,000,000.00
Total Utilized	- <u>156,582,418.04</u>
<i>Unused Balance</i>	\$ 843,417,581.96

BIENNIUM ALLOCATION—ANNUAL SESSIONS: For the 2021-2023 biennium, the Legislature allocated \$1 billion for OFA’s issuance.

PRIVATE ACTIVITY BOND ALLOCATION: No private activity bond allocation was made to OFA for this biennium. If OFA needs allocation, the Executive Director will apply to the PAB Committee and the committee may allocate PAB to OFA. However, PAB allocation is scarce this biennium.

CLOSED TRANSACTIONS 2021-2023

Nonprofit Organization	Issued Amount	Allocation Used
Siskiyou Community Health Center	\$ 8,025,000	\$ 8,025,000
Cascade Health	\$ 7,877,866	\$ 0
Cedarwood Waldorf School	\$ 1,856,668	\$ 1,856,668
Mercy Flights, Inc.	\$ 3,800,000	\$ 3,800,000
Legacy Health	\$ 285,765,000	\$ 98,070,000
Adapt	\$ 2,850,000	\$ 2,850,000
Hope Village, Inc.	\$ 26,000,000	\$ 26,000,000
Santiam Memorial Hospital	\$ 4,225,000	\$ 4,225,000
ACE Charter School	\$ 5,000,000	\$ 5,000,000
Childpeace Montessori School	\$ 6,900,000	\$ 0
St. Vincent de Paul Society of Lane County	\$ 3,543,750	\$ 3,543,750
Mirabella South Waterfront (PRS)	\$ 85,000,000	\$ 3,212,000
Total:	\$ 342,773,284	\$ 156,582,418



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OREGON FACILITIES AUTHORITY

Gwendolyn Griffith
Executive Director

MEMORANDUM

To: Roy Kim, Chair
Andrea Zamora, Vice Chair
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erick Petersen, Authority Member

From: Gwendolyn Griffith

Date: August 8, 2023

Subject: Executive Director's General Report

Transactions

Closed Transactions: **Mirabella South Waterfront (T)**
Childpeace Montessori School (T)
St. Vincent de Paul Society (Eugene) (S)

Pending Transactions: **Clackamas Middle College (T)**
Portland Village Charter School (T)
City View Charter School (T)

New Applications: **Centurion Foundation (T)**

The Orrick team will report on the Mirabella transaction closing and the Hawkins team will report on the St. Vincent de Paul closing. Mr. Schrader will report on the pending charter school transactions and discuss the need to match the project timeline with the financing timeline on various projects.

Middle Income Housing Loans Project

HB 2001, which allocates several million dollars to OFA for certain housing – related loans, was discussed at the April meeting. The subcommittee (Mr. Hubert, Mr. Kim, and Mr. Petersen and OST representatives) will continue to work on matters relating to this revolving loan fund and will report to the Board.

Mr. Harris, who is staffing this committee, will be available to answer questions.

Marketing

OFA has updated its website and moved to a different platform. Please review at <https://oregonfacilities.org/> and direct your questions or comments to ofa.mick@tonkon.com.

With all the interesting transactions at OFA, and HB 2001, we have not had an out-of-town meeting *or* informational session since October, 2022. I hope to remedy this in early fall.

Financial Report – See OFA Budget Materials, distributed separately.

Attachments:

- o OFA Income and Expense Reports for February, March, & April 2023

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OREGON FACILITIES AUTHORITY
Income and Expense Report
February 2023

<i>Item</i>	<i>Detail</i>	<i>Annual Budget</i>	<i>Month Budget</i>	<i>Month Actual</i>	<i>Difference</i>	<i>Year to Date Budget</i>	<i>Year to Date Actual</i>	<i>Difference</i>
Income								
Interest Income		\$4,200.00	\$350.00	\$2,109.59	\$1,759.59	\$2,800.00	\$12,817.79	\$10,017.79
Application Fees		\$3,500.00	\$291.67	\$0.00	-\$291.67	\$2,333.33	\$2,500.00	\$166.67
Closing: Reg. Bond		\$120,000.00	\$10,000.00	\$0.00	-\$10,000.00	\$80,000.00	\$12,675.00	-\$67,325.00
Closing: SNAP Bond		\$65,000.00	\$5,416.67	\$0.00	-\$5,416.67	\$43,333.33	\$22,072.50	-\$21,260.83
Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$192,700.00	\$16,058.33	\$2,109.59	-\$13,948.74	\$128,466.67	\$50,065.29	-\$78,401.38
Expenses								
Executive Director	October & November 2022	\$160,000.00	\$13,333.33	\$52,835.00	\$39,501.67	\$106,666.67	\$107,185.00	\$518.33
Financial Advisor		\$11,000.00	\$916.67	\$0.00	-\$916.67	\$7,333.33	\$3,200.00	-\$4,133.33
Bond Counsel Projects		\$1,200.00	\$100.00	\$0.00	-\$100.00	\$800.00	\$0.00	-\$800.00
Department Justice		\$4,000.00	\$333.33	\$0.00	-\$333.33	\$2,666.67	\$1,971.20	-\$695.47
Board Travel and Expenses	Bend travel expenses	\$8,000.00	\$666.67	\$1,507.26	\$840.59	\$5,333.33	\$3,456.93	-\$1,876.40
Extranet		\$200.00	\$16.67	\$0.00	-\$16.67	\$133.33	\$0.00	-\$133.33
Website		\$500.00	\$41.67	\$0.00	-\$41.67	\$333.33	\$0.00	-\$333.33
Oregon State Treasurer		\$38,500.00	\$3,208.33	\$0.00	-\$3,208.33	\$25,666.67	\$43,440.00	\$17,773.33
Dept. of Admin. Services		\$100.00	\$8.33	\$0.00	-\$8.33	\$66.67	\$16.89	-\$49.78
Association Dues and Pub		\$3,000.00	\$250.00	\$0.00	-\$250.00	\$2,000.00	\$0.00	-\$2,000.00
Postage		\$700.00	\$58.33	\$515.11	\$456.78	\$466.67	\$751.19	\$284.52
Printing/Copying		\$500.00	\$41.67	\$0.00	-\$41.67	\$333.33	\$129.15	-\$204.18
Phone		\$100.00	\$8.33	\$0.00	-\$8.33	\$66.67	\$14.86	-\$51.81
Banking		\$150.00	\$12.50	\$11.00	-\$1.50	\$100.00	\$120.00	\$20.00
Outreach/Legislative		\$35,000.00	\$2,916.67	\$0.00	-\$2,916.67	\$23,333.33	\$0.00	-\$23,333.33
Post Issuance Compliance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	Catering for Bend meeting	\$500.00	\$41.67	\$482.90	\$441.23	\$333.33	\$1,535.90	\$1,202.57
Financial Services Support Proj.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses		\$263,450.00	\$21,954.17	\$55,351.27	\$33,397.10	\$175,633.33	\$161,821.12	-\$13,812.21
Net Cash		-\$70,750.00	-\$5,895.83	-\$53,241.68	-\$47,345.85	-\$47,166.67	-\$111,755.83	-\$64,589.16

Cash Balance	
2/1/2023	\$759,034.62
2/28/2023	\$706,992.90

Net from investments	\$2,109.59
Net from operations	(\$55,351.27)

Prepared by: Gwendolyn Griffith
4/27/2023

Information provided by OST

End of 2021-2022 Fiscal Year Cash Balance per OST **\$808,990.00**

OREGON FACILITIES AUTHORITY
Income and Expense Report
March 2023

<i>Item</i>	<i>Detail</i>	<i>Annual Budget</i>	<i>Month Budget</i>	<i>Month Actual</i>	<i>Difference</i>	<i>Year to Date Budget</i>	<i>Year to Date Actual</i>	<i>Difference</i>
Income								
Interest Income		\$4,200.00	\$350.00	\$2,200.98	\$1,850.98	\$2,800.00	\$12,909.18	\$10,109.18
Application Fees	Childpeace Montessori	\$3,500.00	\$291.67	\$500.00	\$208.33	\$2,333.33	\$3,000.00	\$666.67
Closing: Reg. Bond		\$120,000.00	\$10,000.00	\$0.00	-\$10,000.00	\$80,000.00	\$12,675.00	-\$67,325.00
Closing: SNAP Bond		\$65,000.00	\$5,416.67	\$0.00	-\$5,416.67	\$43,333.33	\$22,072.50	-\$21,260.83
Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$192,700.00	\$16,058.33	\$2,700.98	-\$13,357.35	\$128,466.67	\$50,656.68	-\$77,809.99
Expenses								
Executive Director	December 2022 & January 2023	\$160,000.00	\$13,333.33	\$26,314.00	\$12,980.67	\$106,666.67	\$80,664.00	-\$26,002.67
Financial Advisor		\$11,000.00	\$916.67	\$0.00	-\$916.67	\$7,333.33	\$3,200.00	-\$4,133.33
Bond Counsel Projects		\$1,200.00	\$100.00	\$0.00	-\$100.00	\$800.00	\$0.00	-\$800.00
Department Justice	October 2022, January 2023	\$4,000.00	\$333.33	\$846.20	\$512.87	\$2,666.67	\$2,817.40	\$150.73
Board Travel and Expenses		\$8,000.00	\$666.67	\$0.00	-\$666.67	\$5,333.33	\$1,949.67	-\$3,383.66
Extranet		\$200.00	\$16.67	\$0.00	-\$16.67	\$133.33	\$0.00	-\$133.33
Website		\$500.00	\$41.67	\$0.00	-\$41.67	\$333.33	\$0.00	-\$333.33
Oregon State Treasurer		\$38,500.00	\$3,208.33	\$0.00	-\$3,208.33	\$25,666.67	\$43,440.00	\$17,773.33
Dept. of Admin. Services	FBS Qtr 6	\$100.00	\$8.33	\$8.19	-\$0.14	\$66.67	\$25.08	-\$41.59
Association Dues and Pub	NAHEFFA Membership 2023	\$3,000.00	\$250.00	\$3,250.00	\$3,000.00	\$2,000.00	\$3,250.00	\$1,250.00
Postage		\$700.00	\$58.33	\$235.49	\$177.16	\$466.67	\$471.57	\$4.90
Printing/Copying		\$500.00	\$41.67	\$0.00	-\$41.67	\$333.33	\$129.15	-\$204.18
Phone		\$100.00	\$8.33	\$0.00	-\$8.33	\$66.67	\$14.86	-\$51.81
Banking		\$150.00	\$12.50	\$11.00	-\$1.50	\$100.00	\$120.00	\$20.00
Outreach/Legislative		\$35,000.00	\$2,916.67	\$0.00	-\$2,916.67	\$23,333.33	\$0.00	-\$23,333.33
Post Issuance Compliance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	Caterfing for January Board meeting	\$500.00	\$41.67	\$198.00	\$156.33	\$333.33	\$1,251.00	\$917.67
Financial Services Support Proj.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses		\$263,450.00	\$21,954.17	\$30,862.88	\$8,908.71	\$175,633.33	\$137,332.73	-\$38,300.60
Net Cash		-\$70,750.00	-\$5,895.83	-\$28,161.90	-\$22,266.07	-\$47,166.67	-\$86,676.05	-\$39,509.38

Cash Balance	
3/1/2023	\$706,992.90
3/31/2023	\$678,739.61

Net from investments	\$2,200.98
Net from operations	(\$30,362.88)

Prepared by: Gwendolyn Griffith
4/27/2023

Information provided by OST

End of 2021-2022 Fiscal Year Cash Balance per OST **\$808,990.00**

OREGON FACILITIES AUTHORITY
Income and Expense Report
April 2023

Item	Detail	Annual Budget	Month Budget	Month Actual	Difference	Year to Date Budget	Year to Date Actual	Difference
Income								
Interest Income		\$4,200.00	\$350.00	\$2,102.25	\$1,752.25	\$3,500.00	\$17,121.02	\$13,621.02
Application Fees		\$3,500.00	\$291.67	\$0.00	-\$291.67	\$2,916.67	\$3,000.00	\$83.33
Closing: Reg. Bond	Childpeace Montessori School	\$120,000.00	\$10,000.00	\$3,450.00	-\$6,550.00	\$100,000.00	\$16,125.00	-\$83,875.00
Closing: SNAP Bond		\$65,000.00	\$5,416.67	\$0.00	-\$5,416.67	\$54,166.67	\$22,072.50	-\$32,094.17
Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$192,700.00	\$16,058.33	\$5,552.25	-\$10,506.08	\$160,583.33	\$58,318.52	-\$102,264.81
Expenses								
Executive Director		\$160,000.00	\$13,333.33	\$0.00	-\$13,333.33	\$133,333.33	\$133,499.00	\$165.67
Financial Advisor		\$11,000.00	\$916.67	\$0.00	-\$916.67	\$9,166.67	\$3,200.00	-\$5,966.67
Bond Counsel Projects		\$1,200.00	\$100.00	\$0.00	-\$100.00	\$1,000.00	\$0.00	-\$1,000.00
Department Justice		\$4,000.00	\$333.33	\$0.00	-\$333.33	\$3,333.33	\$2,817.40	-\$515.93
Board Travel and Expenses		\$8,000.00	\$666.67	\$0.00	-\$666.67	\$6,666.67	\$3,456.93	-\$3,209.74
Extranet		\$200.00	\$16.67	\$0.00	-\$16.67	\$166.67	\$0.00	-\$166.67
Website		\$500.00	\$41.67	\$0.00	-\$41.67	\$416.67	\$0.00	-\$416.67
Oregon State Treasurer		\$38,500.00	\$3,208.33	\$0.00	-\$3,208.33	\$32,083.33	\$43,440.00	\$11,356.67
Dept. of Admin. Services		\$100.00	\$8.33	\$0.00	-\$8.33	\$83.33	\$25.08	-\$58.25
Association Dues and Pub		\$3,000.00	\$250.00	\$0.00	-\$250.00	\$2,500.00	\$3,250.00	\$750.00
Postage		\$700.00	\$58.33	\$0.00	-\$58.33	\$583.33	\$986.68	\$403.35
Printing/Copying		\$500.00	\$41.67	\$0.00	-\$41.67	\$416.67	\$129.15	-\$287.52
Phone		\$100.00	\$8.33	\$0.00	-\$8.33	\$83.33	\$14.86	-\$68.47
Banking		\$150.00	\$12.50	\$21.00	\$8.50	\$125.00	\$152.00	\$27.00
Outreach/Legislative		\$35,000.00	\$2,916.67	\$0.00	-\$2,916.67	\$29,166.67	\$0.00	-\$29,166.67
Post Issuance Compliance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	Business Cards (Gwen & Mr. Johansen)	\$500.00	\$41.67	\$77.00	\$35.33	\$416.67	\$1,810.90	\$1,394.23
Financial Services Support Proj.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses		\$263,450.00	\$21,954.17	\$98.00	-\$21,856.17	\$219,541.67	\$192,782.00	-\$26,759.67
Net Cash		-\$70,750.00	-\$5,895.83	\$5,454.25	\$11,350.08	-\$58,958.33	-\$134,463.48	-\$75,505.15

Cash Balance	
4/1/2023	\$378,739.61
4/30/2023	\$684,302.59

Net from investments	\$2,102.25
Net from operations	\$3,352.00

Prepared by: Gwendolyn Griffith
6/13/2023

Information provided by OST

End of 2021-2022 Fiscal Year Cash Balance per OST **\$808,990.00**

TAB 3



Oregon State Treasury
 Debt Management Division
 867 Hawthorne Ave SE
 Salem, OR 97301
 (503) 378-4930
 DMD@ost.state.or.us

Oregon Bond Calendar

For Sale Dates from 7/1/2023 to 11/30/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
July 2023									
SOLD									
07/06	Washington County Housing Authority	Privately Placed	Revenue Bonds	2023 \$20,250,000	finance the cost of acquiring the apartment complex located at 16100 SW 113th Avenue, Tigard, Oregon, known as the Woodspring Apartments, to provide housing for low-income persons resi	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	07/01/2028	4.94 Fixed 5.37%	1. Banner Bank 2. Foster Garvey PC 3. None
07/11	Josephine Cty SD 7 (Grants Pass)	Competitive	Full Faith & Credit Obligations(N)	2023 \$18,240,000	Capital projects and refunding	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2053	19.67 TIC 4.32%	1. Raymond James 2. Mersereau & Shannon LLP 3. McLiney and Company
07/11	Umatilla Hospital District No. 1	Negotiated	Full Faith & Credit Obligations(N)	2023 \$7,765,000	Construction, improvement and equipping of a new health clinic	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/01/2053	18.66 ATIC 5.126%	1. D.A. Davidson & Co. 2. Orrick, Herrington & Sutcliffe 3. None
07/12	Jackson Cty SD 35 (Rogue River)	Privately Placed	General Obligation (N) Bonds	2023 \$4,465,000	Finance of capital projects approved in the May 2023 Election	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2031	4.76 ATIC 4.20372%	1. JP Morgan Chase Bank 2. Hawkins, Delafield & Wood 3. None
07/14	Oregon Housing & Community Services Department Spencer Court LLC	Privately Placed	Conduit Revenue Bonds	2023N-1 \$395,000	Spencer Court Apartments	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	07/01/2058	0.00	1. Washington Federal 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
07/14	Oregon Housing & Community Services Department Spencer Court LLC	Privately Placed	Conduit Revenue Bonds	2023N-2 \$5,500,000	Spencer Court Apartments	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	07/01/2058	0.00	1. Washington Federal 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.
07/14	Oregon Housing & Community Services Department Spencer Court LLC	Privately Placed	Conduit Revenue Bonds	2023N-3 \$5,955,000	Spencer Court Apartments	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	01/01/2026	0.00	1. Washington Federal 2. Orrick, Herrington & Sutcliffe 3. Caine Mitter & Assoc.



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Oregon Bond Calendar

For Sale Dates from 7/1/2023 to 11/30/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
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July 2023

SOLD									
07/20	Columbia Cty SD 502 (St Helens)	Negotiated	General Obligation (N) Bonds	2023 \$4,000,000	Finance projects approved at May 2023 Election	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>	06/15/2033	5.76 ATIC 3.33818%	1. Piper Sandler & Co. 2. Mersereau & Shannon LLP 3. None

August 2023

PROPOSED									
08/02	Jefferson Cty SD 41 (Black Butte)	Privately Placed	General Obligation (N) Bonds	2023 \$2,000,000	Finance capital projects approved in the May 2023 election.	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. To Be Determined 2. Hawkins, Delafield & Wood 3. None
08/08	City Of Portland	Competitive	General Obligation (N) Bonds	2023A \$41,065,000	Affordable Housing bonds	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input checked="" type="checkbox"/> ZERO <input type="checkbox"/>			1. To Be Determined 2. Hawkins, Delafield & Wood 3. Public Financial Management
08/08	City Of Portland	Competitive	Short Term Borrowings	2023A \$32,555,000	Cash flow borrowing for Fire and Police Disability and Retirement Fund	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. To Be Determined 2. Hawkins, Delafield & Wood 3. Public Financial Management
08/08	Curry Cty SD 1 (Central Curry)	Negotiated	General Obligation (N) Bonds	2023 \$15,000,000	Finance capital projects approved in the May 2023 election	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Piper Sandler & Co. 2. Hawkins, Delafield & Wood 3. None
08/13	Oregon Business Development Department Intel	Negotiated	Conduit Revenue Bonds	2023 \$141,855,000	Intel Remarketing(Refund) of it 2010 Series 232 Bonds issued through OBDD	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. JP Morgan Securities 2. Orrick, Herrington & Sutcliffe 3. None



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Oregon Bond Calendar

For Sale Dates from 7/1/2023 to 11/30/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
August 2023									
PROPOSED									
08/15	Marion Cty SD 91 (Mt Angel)	Negotiated	General Obligation (N) Bonds	2023 \$7,000,000	Finance projects approved at May 2023 Election	AMT <input type="checkbox"/> BQ <input checked="" type="checkbox"/> TAX <input type="checkbox"/> ZERO <input type="checkbox"/>			1. Piper Sandler & Co. 2. Hawkins, Delafield & Wood 3. None
08/24	Lane Cty SD 40 (Creswell)	Negotiated	General Obligation (N) Bonds	2023 \$18,210,000	Finance capital projects approved in the May 2023 Election	AMT <input type="checkbox"/> BQ <input type="checkbox"/> TAX <input type="checkbox"/> ZERO <input checked="" type="checkbox"/>			1. Piper Sandler & Co. 2. Mersereau & Shannon LLP 3. None

Negotiated sales may occur any day of the week when the sale date is indicated as a Monday.
 Issues are Listed as 'Proposed' until sale results are reported.

- AID = Any Interest Date
- Neg = Negotiated Sale
- Com = Competitive Sale
- Pri = Private Placement Sale
- AMT = Subject to Alternative Minimum Tax
- BQ = Bank Qualified
- TAX = Federally Taxable
- ZERO = Zero Coupon or Deferred Interest Bonds

- Full Faith & Credit Obligation(N) = Non Self-Supporting - bonds repaid by non-project revenues or paid by property taxes or other tax sources within the limits of the Oregon Constitution, Article XI, Section 11.
- Full Faith & Credit Obligation(S) = Self-Supporting - bonds repaid by project revenues or there is an independent source of funds for repayment.
- General Obligation(N) = Non Self-Supporting - bonds repaid & secured by ad valorem property taxes levied outside the limits of Article XI 11b.
- General Obligation(S) = Self-Supporting - bonds 100% repaid by project revenues, and secured by ad valorem property-taxes.

The purpose categories are defined as follows:

1. Development: industrial development, economic development, non-government office buildings, urban renewal.
2. Education: primary and secondary education, higher education, student loans.
3. Electric power: public power utilities.
4. Environmental Facilities: solid waste disposal, resource recovery, pollution control, recycling.
5. Health Care: hospitals, nursing homes, life-care communities.
6. Housing: single-family and multi-family housing.
7. Public Facilities: government buildings, fire and police stations, jails and prisons, civic and convention centers, museums, libraries, stadiums and sports complexes, theaters, parks, zoos, beaches, other recreation.
8. Transportation: airports, seaports and marine terminals, toll roads, highways and streets, bridges, tunnels, parking facilities, mass transit.
9. Utilities: water and sewer, gas, flood control, sanitation, combined utilities, miscellaneous utilities.
10. General Purpose: general purpose, veterans (other than housing), agriculture, unknown.



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Oregon Bond Calendar

For Sale Dates from 7/1/2023 to 11/30/2023

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life/ Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
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TAB 4

GWENDOLYN GRIFFITH
EXECUTIVE DIRECTOR

MICK HARRIS
ASSOCIATE EXECUTIVE DIRECTOR

NICK PHAM
EXECUTIVE ASSISTANT



OREGON FACILITIES AUTHORITY
1600 PIONEER TOWER
888 SW FIFTH AVENUE
PORTLAND, OREGON 97204
PHONE: (503) 802-5710
EMAIL: OFA@TONKON.COM

MEMORANDUM

To: Roy Kim, Chair
Andrea Trenner, Vice Chair
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erick Petersen, Authority Member

From: Gwen Griffith

Date: August 8, 2023

Subject: Conditional Final Approval: City View Charter School

On March 13, 2023, the Authority granted City View Charter School (the “Applicant”), preliminary approval for OFA Traditional Bond financing in an approximate amount of \$18,750,000. The transaction was described as a limited offering to qualified institutional investors (QIBs). Piper Sandler & Co. is the underwriter, led by Nick Hagen, Managing Director. The Applicant has engaged Lewis Young Robertson & Burningham, Inc. as its financial advisor. David Robertson leads the financial advisory team.

The Applicant is a nonprofit that operates a charter school in association with the Hillsboro School District. It was formed in 2004, and currently educates approximately 315 students in grades L-8. It provides “EL Education,” in which the following principles are key to the curriculum:

- ❖ Learning is active
- ❖ Learning is challenging
- ❖ Learning is meaningful
- ❖ Learning is public
- ❖ Learning is collaborative

The Project is the purchase and renovation of a building in which the Applicant will carry on its educational activities. In addition, two existing commercial tenants will remain in the building. The building is one block “into” a neighboring school district, and under legislation passed this session, the Applicant has some work to do in order to allow the Applicant to conduct its activities in the receiving school district. It is currently seeking the consent of the neighboring school district to operate in that district.

Purchasing this large building and taking on this debt are big steps for the Applicant (a first-time OFA Applicant). At the OFA meeting on May 8, 2023, the Authority received an update about the Applicant and the financing, and informally instructed OFA staff to continue to work with the Applicant to explore the financing.

The financing team has been hard at work preparing the transaction for final approval. During this process, the Applicant has consistently demonstrated positive and productive efforts to meet the requirements of the Authority and the financing. The current request is for approximately \$18,290,000 of tax-exempt bonds and approximately \$1,115,000 for taxable bonds (total of \$19,405,000). As the numbers could change prior to closing, the Applicant is requesting conditional final approval of a total authorized not-to-exceed amount of \$20,000,000. It appears that there is a single investor that is interested in purchasing the bond, although negotiations have not been concluded. The Applicant is finalizing the GMP (guaranteed maximum price) contract for the building renovations, and is working with the receiving school district to ensure that the conditions of the recent legislation (and requirements of the bond purchaser) are met.

The Applicant is seeking *conditional final approval*, which would allow the transaction to close without further Board involvement once all conditions are satisfied. As is expected with conditional final approval, if the transaction materially changes from its current structure or policy issues arise prior to satisfaction of the conditions, the Applicant will be required to return the Board for further consideration.

Bond Counsel's report is included in the materials. Orrick has confirmed that the Applicant and the Project are eligible for financing through OFA, and reports that the bond documents are in substantially final form and acceptable form opinions are in hand. Mr. Schrader recommends the transaction for conditional final approval.

The Financial Advisor's Report is included in the materials. First Tyron Advisors has provided an extensive description of the Applicant, the financing, and the risks of this financing. Mr. Quinn recommends the transaction for conditional final approval.

Recommendation: I recommend that the Authority adopt Resolution 2023-11, granting Conditional Final Approval to City View Charter School for an OFA Traditional Bond in an amount not to exceed \$20,000,000, in both taxable and nontaxable series, and recommending to the State Treasurer that he consider issuing the bonds when the conditions outlined in Bond Counsel's resolution are satisfied.

If you have any questions, please let me know.



Oregon Facilities Authority
Final Financial Advisory Report
City View Charter School
August 8, 2023

1. **Findings**

This report has been prepared for consideration by the Board of the Oregon Facilities Authority ("OFA") of final approval of the issuance of approximately \$18,290,000 of Series 2023A Bonds (tax-exempt) and approximately \$1,155,000 of Series 2023 B Bonds (taxable) (collectively the "Bonds") within a total proposed authorization amount of up to \$20,000,000. The proceeds of the Bonds would be loaned to City View Charter School to fund (1) the acquisition, renovation, furnishing, and equipping of a commercial building that would serve as the School's new home (the "Project"), (2) capitalized interest, (3) a debt service reserve fund and (4) costs of issuance. The School and its underwriter and financial advisor have been negotiating the terms of the Bonds with an experienced, reputable institutional investor and as of the August 14 date of the OFA Board meeting, expect to be at or near completion of such negotiations. The Bonds will be non-rated and will be described in detail in a Preliminary Limited Offering Memorandum ("PLOM"). Subject to OFA's policy for limited offerings of non-rated bonds, there will be initial denomination limitations on the Bonds; however, the Bonds will have CUSIP numbers and be tradeable in the secondary market after issuance. In the event that the School is not successful in coming to terms with its current investor prospect, it proposes to proceed with the circulation of the PLOM and pursue other qualified institutional buyers (QIBs). In either case, the School seeks to close on the issuance of the Bonds as soon as practicable after receiving OFA Board conditional final approval. The School and its advisors have been navigating a number of challenges with respect to the Project in order to assure its feasibility including negotiating property acquisition terms, scoping property renovations, and securing all necessary entitlements and permits. The School and its advisors understand that all major conditions for the issuance of the Bonds must be satisfied prior to closing, assuming OFA Board approval. Although the debt service burden associated with the Bonds will be substantial, the School's financial projections and financial statements indicate that it will have the capacity to support the repayment of the Bonds. Based on our review of the School's finances and projections, the Project acquisition and redevelopment plan, the terms of the Bonds and the plan of finance, we recommend final conditional approval of the transaction (ie. subject to specifically identified conditions being satisfied prior to closing).

2. **Description of Borrower and Project**

City View Charter School was founded in 2004 and is the only charter school in the Hillsboro School District, a district which serves approximately 20,000 students in grades K-8. Serving grades K-8, the School started with 50 students and has grown to 313 as of the 2022-23 school year. The School has renewed its Charter Contract three times, most recently for a 10-year period from May

26, 2015 through June 30, 2025. It has authority to enroll up to 432 students. The School currently leases two locations for its operations, and has been pursuing acquiring its own facilities and consolidating its operations into one location. In March 2023, the School entered into a purchase agreement for a property located at 1920 NE Stucki, Hillsboro, Oregon. The property comprises an approximately 59,000 square foot office building situated on 4 acres. The cost of acquiring the property is approximately \$12 million. The School's cost objective for renovating, furnishing, and equipping the property is \$4 million but the actual cost may be up to \$4.2 million. The School has project managers, architects, and building contractors actively engaged in the redevelopment plans for the property. Notably, two of the existing office tenants will remain on the property. The School has determined that such occupancy is compatible with its use of the property, and the leases will generate additional income for the School. Upon issuance of the Bonds, the School would close on its acquisition of the property and renovations would commence. The renovation timetable is approximately 5 months. The School must vacate one of its two leased locations by January 31, 2024. It anticipates a phased move-in for the Project over the months of December and January, subject to timely completion of renovations.

3. Plan of Finance

The School's Plan of Finance assumes that 100% of the cost of the Project (as well as associated reserves, funded interest and transaction costs) will be financed by the Bonds. The School also proposes that the Bonds be sold through a limited public offering without a credit rating. The School's bond underwriter, Piper Sandler & Co., is an experienced and reputable underwriter of charter school bond issues. The proposed term of the Bonds is 35 years with a level annual debt service structure with capitalized interest for the first 12 months, interest only for the next 12 months and principal amortization commencing in FY 2026. The following is a summary of the estimated sources and uses of funds.

Sources

Series 2023 Bonds	\$19,445,000
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Uses

Property Acquisition	\$12,050,000
Renovations/FF&E	4,000,000
Debt Service Reserve Fund	1,515,000
Capitalized Interest Fund	1,068,000
Costs of Issuance	812,000
Total	\$19,445,000

4. Credit Assessment

The School's ability to pay the estimated annual debt service of \$1.5 million will depend significantly on growth in enrollment and implementing new programs around Preschool and enhanced Before & After School Care. The School currently offers a Before & After Care Program run by a third company which the School plans to take over and run on its own. The School advises that it has experienced considerable demand not only for increased enrollment, but more access to the programs described above but has been constrained by the size of its existing locations from doing so. With the larger capacity of the Project (and the School's authorization to increase enrollment up to 432), it has advised that it will be able to increase enrollment steadily between FYs 2023 and 2026, reaching a projected enrollment level by FY 2026 of 430. Based on its enrollment projections for FY 2024-2027 and other factors, the School anticipates achieving debt service coverage levels of 1.25 – 1.39X once principal amortization commences. The minimum debt service coverage covenant requirement is 1.10X, which changes to 1.00X if and when the School has 100 days cash on hand ("DCOH"). The Bond documents also require that the School maintain liquidity of at least 60 days DCOH. As of FYE 2023, the School's liquidity was approximately \$656,159 (unaudited) equaling approximately 70 DCOH. Projections indicate DCOH to grow to 208 by FY 2027.

The feasibility of the School's financial projections is highly dependent on a number of factors, most notably (1) completion of renovations on time and budget, (2) timely occupancy of the Project, and (3) achieving projected enrollment growth. The School's modest balance sheet, lack of practicable occupancy alternatives after January 31, 2024 and potential failure to complete Project renovations on time represent significant near term risks to both the School and any Bond investor. In addition, the School's revenues come primarily from the State Board of Education on a per-pupil basis. Consequently, the School and Bond investors face ongoing risk of potentially inadequate per-pupil revenues and non-renewal of the School's charter.

5. Summary

City View Charter School appears to be a moderately successful institution which has progressed to the point where owning and operating its own facilities will be integral to its ongoing success. It proposes to finance 100% of the cost of its Project with proceeds the Series 2023 Bonds to be issued for its benefit by OFA. Because the School has a relatively modest level of liquidity, effective execution of both Project development and enrollment growth plans will be crucial to the School's ability to sustainably support the payment of debt service on the Bonds. The School faces significant Project risks and ongoing operating risks but appears to be taking appropriate measures to manage such risks. In addition, any investors in the Bonds will be QIBs and it is expected that they will have the level of financial resources and sophistication appropriate to bear the risks associated with such an investment. Based on our review of the Project details, the plan of finance, the School's finances and projections and the terms of the Bonds, we recommend that the Board grant final conditional approval of the transaction.

Respectfully submitted by First Tryon Advisors

By: Kevin G. Quinn
Kevin G Quinn, Managing Director



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MEMORANDUM

TO: Members of the Oregon Facilities Authority
Gwendolyn Griffith, Executive Director
Mick Harris, Associate Executive Director

FROM: Michael Schrader, Steve White and Alexandra Bartos-O'Neill

DATE: August 14, 2023

RE: Final Approval of City View Charter School Application for Bond Financing through the Oregon Facilities Authority

Overview of Bonds.

City View Charter School, an Oregon nonprofit corporation and a charter school operating pursuant to a charter with the Hillsboro School District (the “Borrower” and the “District,” respectively), is requesting final approval from the Oregon Facilities Authority (the “Authority”) for the issuance of both tax-exempt and federally taxable revenue bonds, in an approximate aggregate principal amount not-to-exceed \$20,000,000 (the “Bonds”). Bond proceeds are expected to be used for the purpose of (i) financing all or a portion of the costs of the acquisition, renovation, improvement and equipping of school facilities, (ii) funding a debt service reserve fund, if required, (iii) paying capitalized interest, if necessary, and (iv) paying costs of issuing the Bonds (collectively, the “Project”).

The Bonds are expected to be issued in a series of tax-exempt bonds and a series of federally taxable bonds. The purpose of the taxable bonds is to cover costs of issuance (“COI”) in excess of the two-percent COI limit on use of the tax-exempt bonds and certain other Project costs that may not be a permitted use of tax-exempt bond proceeds. The Bonds will be sold through a negotiated limited public offering by Piper Sandler & Co., as underwriter (the “Underwriter”). The Bonds will not be rated and will only be marketed and sold to qualified institutional investors, consistent with OAR requirements and established Authority practice with respect to charter school financing projects. The Borrower expects to finance all or most of the costs of the Project with proceeds of the Bonds.

The Bonds will be secured by a pledge of the Borrower’s payments from the District, together with a mortgage lien and security interest granted on the Borrower’s facilities that are being acquired, improved, renovated and equipped with proceeds of the Bonds.

Status of Documents and the Project.

The Indenture and the Loan Agreement related to the Bonds (the “Bond Documents”) are in substantially final form and have been provided to the Authority’s Executive Director. Additionally, the Preliminary Limited Offering Memorandum (including the Borrower’s Appendix A), the Bond Purchase Contract, the Deed of Trust and certain other documents and agreements related to the Bonds and the Project have been prepared and circulated. The Underwriter is, however, in negotiations with one or more investors to determine final pricing terms of the Bonds and covenants of the Borrower are subject to final negotiation with Bond purchasers at the time of the sale of the Bonds. We have also reviewed and find acceptable the proposed form of the legal opinion letter to be provided by Borrower’s counsel, which includes coverage of the Borrower’s tax-exempt status.

Our general due diligence review with respect to the Borrower and the Project, including the tax-exempt status of the Borrower, its operations and the proposed use of the Project, including private use of the Project by unrelated third-party tenants, has been completed and no material issues were identified.

We would note that it is our understanding that the Borrower has confirmed the final scope of the Project and related costs and project budget, and it is our understanding that a final Guaranteed Maximum Price (GMP) construction contract will be executed in advance of the closing. Additionally, it is our understanding that, as a condition to closing, given the location of the Project, the Borrower will be required to obtain the consent of the Beaverton School District for the Project to ensure compliance with the requirements of Senate Bill 767 (2023).

Recommendation.

As bond counsel to the Authority and based upon our due diligence review and review of the substantially final forms of the Bond Documents, we recommend that the Borrower’s request for issuance of the Bonds through the Authority be approved and forwarded to the State Treasurer for final consideration and approval.

**STATE OF OREGON
OREGON FACILITIES AUTHORITY**

**RESOLUTION No. 2023-11
ADOPTED: August 14, 2023**

A RESOLUTION OF THE OREGON FACILITIES AUTHORITY RECOMMENDING THAT THE OREGON STATE TREASURER ISSUE REVENUE BONDS TO FINANCE THE PROJECT DESCRIBED HEREIN; DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR; AND AUTHORIZING AND DETERMINING OTHER MATTERS WITH RESPECT THERETO.

WHEREAS, the Oregon Facilities Authority, a body politic and corporate duly created and existing under the laws of the State of Oregon (the “Authority”) is authorized and empowered by the provisions of Oregon Revised Statutes Chapters 286A and 289, as amended (the “Act”), to recommend to the Oregon State Treasurer (the “State Treasurer”) the issuance of revenue bonds for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the loaning of the proceeds of such revenue bonds to “participating institutions” as defined in the Act in connection therewith;

WHEREAS, City View Charter School, an Oregon nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code (the “Participating Institution”), has filed with the Authority an application requesting the issuance of revenue bonds for the purpose of financing all or a portion of the costs of the acquisition, improvement, renovation and equipping of certain school facilities for the Participating Institution (collectively, the “Project”); and such application has been reviewed by the Executive Director of the Authority, the Authority’s bond counsel and the Authority’s financial advisor;

WHEREAS, in said application the Participating Institution has requested that the Authority consider recommending that the State Treasurer issue one or more series of tax-exempt and federally taxable revenue bonds (the “Bonds”) under the Act, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project, and to pay the related costs associated therewith, including paying costs of issuance of the Bonds, funding a debt service reserve fund, if required, and paying capitalized interest, if necessary;

WHEREAS, the Authority, in its Resolution No. 2023-5 adopted on March 13, 2023 (the “Preliminary Resolution”), recommended that the State Treasurer indicate his intent to issue bonds as requested by the Participating Institution, and the State Treasurer has expressed his intent to issue bonds for such purpose;

WHEREAS, the Participating Institution is requesting final approval of the Bonds in an aggregate principal amount not to exceed \$20,000,000, or in such lesser aggregate principal amount as may be determined to be necessary or appropriate;

WHEREAS, the Participating Institution, Piper Sandler, & Co., as underwriter (the “Underwriter”), the other parties to the transaction pertaining to the issuance, sale and delivery of the Bonds, and the Authority’s bond counsel, financial advisor and Executive Director have substantially completed the discussions and negotiations necessary to structure the proposed offering of the Bonds and the loan to be made to the Participating Institution, including completion of substantially final forms of the Indenture and Loan Agreement and certain other documents relating to the Project and the financing, with the exception of final negotiations regarding the pricing and certain other terms of the Bonds and covenants of the Participating Institution with respect to the Bonds;

WHEREAS, the Preliminary Limited Offering Memorandum, including the Participating Institution’s Appendix A (the “Offering Document”), which will be distributed in connection with the marketing, offering and sale of the Bonds to one or more bond purchasers (the “Bond Purchaser”), and the form of the Bond Purchase Agreement (the “Bond Purchaser Agreement”) among the Authority, the Underwriter and the Participating Institution, have each been drafted and are substantially complete; and

WHEREAS, to allow the parties to finalize the Offering Document, proceed with the marketing, offering and sale of the Bonds and execute and deliver the Bond Purchase Agreement, the Participating Institution has requested that the Authority grant final approval recommending the issuance of the Bonds upon satisfaction of certain conditions set forth herein, and as such, the Authority wishes to delegate authority to the Executive Director of the Authority to certify that such conditions have been satisfied prior to the issuance of the Bonds, upon the advice of the Authority’s bond counsel and financial advisor.

NOW, THEREFORE, be it resolved by the members of the Authority as follows:

SECTION 1. COMPLIANCE WITH LEGAL REQUIREMENTS AND ADMINISTRATIVE RULES. The Authority hereby finds and determines the following:

(i) In reliance upon the advice of the Authority’s bond counsel and the Authority’s financial advisor, the Executive Director has determined that all legal requirements and other requirements for the issuance of the Bonds to finance the Project have been met or will be met prior to the issuance of the Bonds; and

(ii) Substantially final forms of the Indenture, the Loan Agreement, the Offering Document, the Bond Purchase Agreement and certain other documents and agreements relating to the Bonds are on file with the Executive Director of the Authority and are available for inspection by members of the public.

The requirements of the Oregon Administrative Rules adopted by the Authority pursuant to the Act have been met insofar as such requirements relate to the matters referred to in (i) and (ii) above and to the extent such requirements must be met as a condition precedent to the adoption of this resolution by the Authority.

SECTION 2. RECOMMENDATION TO ISSUE BONDS. The Authority hereby recommends that the State Treasurer issue the Bonds under the Act in an aggregate principal amount not to exceed \$20,000,000, or in such lesser aggregate principal amount as may be determined to be necessary or appropriate, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project and to pay the related costs associated therewith, including paying costs of issuance of the Bonds, funding a debt service reserve fund, if necessary, and paying capitalized interest. Subject to the Participating Institution's compliance with all legal and other requirements, the Authority finds that no further meeting or action of the Authority is needed for the State Treasurer to proceed with the issuance of the Bonds.

SECTION 3. CONDITIONS TO ISSUANCE, SALE AND DELIVERY OF BONDS. The Executive Director of the Authority is hereby authorized, on behalf of the Authority, with the advice of the State Treasurer's office, the Authority's bond counsel and the Authority's financial advisor, to approve the issuance, sale and delivery of the Bonds upon finding that no material issues have arisen with respect to the transaction prior to the closing of the Bonds that, in the opinion of the Executive Director, create the need for additional review or approval by the Board and confirmation that all legal and other requirements, including final resolution of all land use, permitting and any other entitlements related to the Project, and any receipt of all required public consents or approvals, for the issuance, sale and delivery of the Bonds have been satisfied.

SECTION 4. AUTHORITY TO APPROVE FORM OF FINAL BOND DOCUMENTS. The Executive Director of the Authority is hereby authorized in her discretion, on behalf of the Authority, to approve the final form of the Indenture, the final form of the Loan Agreement and other financing documents, including the Bond Purchase Agreement, the Offering Document and the final Limited Offering Memorandum related to the Bonds, provided the Trust Indenture, the Loan Agreement and such other financing documents are in substantially similar form to the Trust Indenture, the Loan Agreement and other financing documents herein approved by the Authority.

SECTION 5. EFFECTIVENESS; CONFLICTING RESOLUTIONS. This Resolution shall be effective immediately upon its adoption. Any resolutions of the Authority and parts thereof which are in conflict with the terms of this Resolution shall be, and they hereby are, rescinded, but only to the extent of such conflict.

[Signature follows next page]

CERTIFICATION OF RESOLUTION

The undersigned does hereby certify that I am the duly appointed, qualified and acting Executive Director of the Oregon Facilities Authority; that the foregoing is a true and complete copy of Resolution No. 2023-11 as adopted by said Authority at a meeting duly called and held in accordance with law on August 14, 2023; and that the following members of the Authority voted in favor of said Resolution:

the following members of the Authority voted against said Resolution:

and the following member of the Authority abstained from voting on said Resolution:

In witness whereof, the undersigned has hereunto set her hand as of this 14th day of August 2023.

Gwendolyn Griffith, Executive Director

TAB 5

GWENDOLYN GRIFFITH
EXECUTIVE DIRECTOR

MICK HARRIS
ASSOCIATE EXECUTIVE DIRECTOR

NICK PHAM
EXECUTIVE ASSISTANT



OREGON FACILITIES AUTHORITY
1600 PIONEER TOWER
888 SW FIFTH AVENUE
PORTLAND, OREGON 97204
PHONE: (503) 802-5710
EMAIL: OFA@TONKON.COM

MEMORANDUM

To: Roy Kim, Chair
Andrea Trenner, Vice Chair
Sean Hubert, Authority Member
Eric Johansen, Authority Member
Erika Patton, Authority Member
Kathleen Cornett, Authority Member
Erick Petersen, Authority Member

From: Gwen Griffith

Date: August 8, 2023

Subject: Conditional Final Approval: Centurion Foundation North Graham Street, LLC

Note: Tonkon Torp LLP represents Legacy Health (“Legacy”) in matters unrelated to its tax-exempt financing and this sale/leaseback transaction. Although Legacy is not the Applicant in this transaction, its credit is critical to the success of the transaction. Any recommendation that I might make with respect to the Applicant’s situation could affect Legacy, positively or negatively, and therefore I believe I have a conflict of interest with respect to this transaction. I have disclosed this conflict of interest to Treasury, and I have been instructed to process the application as usual, but to make no recommendation with respect to the transaction.

Centurion Foundation North Graham Street, LLC (the “Applicant”) made a timely application to the Authority for OFA Traditional Bond financing in an approximate amount of \$39,000,000. It paid the required fee. The Applicant is a special purpose affiliate of Centurion Foundation (“Centurion”), a nonprofit entity formed in 1996 for the purpose of assisting other 501(c)(3) organization to acquire property to be used in their tax-exempt missions.

The Project is the Applicant’s purchase of a building owned by Legacy, and its “leaseback” to Legacy under a bondable triple-net lease (the “Lease”). The Applicant and Legacy representatives will describe this transaction and its purposes in detail at the meeting. The Applicant requests \$39,000,000 of tax-exempt financing to be used to purchase the building. This is a “limited offering” under OFA’s administrative rules, and therefore the bonds must (and will) be placed with a qualified institutional investor. The Applicant will take out a separate (non-OFA) taxable loan in an approximate amount of \$26,000,000 for the balance of the purchase price and other expenses of the transaction.

Mick Harris and I have been talking about the transaction with Bond Counsel, Carol McCoog of our Special Bond Counsel firm, Hawkins, Delafield and Wood LLP, for several weeks. A scoping call is scheduled for Thursday, August 10. The Applicant and Centurion have requested that the OFA Board consider conditional final approval at the August OFA Board meeting in order to facilitate the accelerated schedule

The Applicant is seeking *conditional final approval*, which would allow the transaction to close without further Board involvement once all conditions are satisfied. In my absence, Mr. Harris conferred with the OFA Board Chair and Vice Chair, and also our Treasury liaisons, to confirm that conditional final approval is warranted in this situation. Among other factors, the Applicant's parent company is a sophisticated borrower in the tax-exempt market, the financing team is experienced, and this transaction involves no construction risk.

As is expected with any conditional final approval, if the transaction materially changes from its current structure or policy issues arise prior to satisfaction of the conditions, the Applicant will be required to return to the Board for further consideration of the transaction.

Bond Counsel's report is included in the materials. Among other matters, Bond Counsel will address the following during the diligence process:

- that the Applicant and Centurion are both entities that qualify for financing through OFA; and
- that the Project and its components, and in particular the Lease, qualify under OFA's statute and administrative rules and federal tax requirements for tax-exempt OFA financing.

Ms. McCoog recommends the transaction for conditional final approval.

The Financial Advisor's Report is included in the materials. First Tryon Advisors has provided an extensive description of the Applicant, the financing, and its analysis of this transaction. Mr. Quinn recommends the transaction for conditional final approval.

***Recommendation:* I am not making a recommendation on this matter.**

If you have any questions, please let me know.



**Oregon Facilities Authority
Preliminary Financial Advisory Report
Centurion Foundation Project
August 8, 2023**

1. Preliminary Findings

Centurion Foundation North Graham Street, LLC (“Centurion”) has submitted an Application for a tax-exempt bond financing of up to \$39,000,000 in connection with a sale-leaseback transaction with Legacy Health (the “Bonds”). As financial advisor to the Authority on this matter, we have reviewed the Application and related materials and information, and spoken with a representative of Centurion, to learn more about Centurion, its project, and the proposed financing. The Application and our related research provided sufficient information to warrant a recommendation for conditional final approval of the Bonds. An overview of the key facts and our analysis are provided below.

2. Description of Borrower, Project, and Tenant

Centurion is a special purpose limited liability corporation formed by The Centurion Foundation, Inc. (the “Foundation”) for the sole purpose of acquiring a facility located at 501 North Graham Street in Portland (the “Project”). The sole member of Centurion, the Foundation was founded in 1996, is a Georgia non-profit corporation, and has a mission of developing and/or financing facilities used for non-profit purposes. Over the years, the Foundation has helped a number of non-profit healthcare organizations acquire, develop, and finance facilities for their use.

The Project to be acquired by Centurion is an existing facility owned by Legacy Health, an Oregon non-profit corporation (“Legacy”). The Project is located on the campus of Legacy Emanuel Medical Center. Upon completion of the financing and acquisition, Centurion will lease the Project back to Legacy pursuant to a “triple-net bondable lease” (the “Lease”)

3. Plan of Finance

a. Bonds and Loan

Centurion proposes to finance its acquisition of the Project through (i) the issuance of up to \$39,000,000 of tax-exempt bonds through the Authority (the “Bonds”) and (ii) a direct taxable loan of up to \$26,000,000 (the “Loan”). The purchase price of the Project would be approximately \$63,385,125. The estimated cost of issuance for the Bonds and Loan is \$897,400, and \$717,475 is budgeted for “contingency” to cover unexpected or increased costs of real estate due diligence or other costs of the transaction. The Bonds and Loan are proposed to have a term of 12 years and be interest only with a mandatory purchase date at the end of the initial 12-year term. The Bonds and Loan would each have a multimodal feature with provisions that would enable their remarketing prior to maturity. The Bonds and Loan would each be issued pursuant to a master trust indenture and secured by (1) an assignment of the Lease and (2) a mortgage on the Project. Debt service under the Bonds and the Loan would be paid from lease payments made by Legacy to Centurion under the Lease.

b. Facility Lease

A Term Sheet for the Lease was included with the Application. The Lease will be a “bondable triple net lease” under which the Tenant (Legacy) will be responsible for all costs and expenses incurred in the ordinary course of operation of the Project and will be cross defaulted with the Bonds and the Loan. The Lease will have an initial term of 12 years (corresponding with the term of the Bonds and the Loan). Base annual rent under the Lease will be the sum of (1) Bonds/Loan combined annual debt service and (2) an asset management fee of 0.30% of the initial principal amount of the Bonds/Loan. The base rent will be payable monthly in advance. There will be a minimum Lease coverage covenant under which the annual Lease payments must equal at least 1.0X annual debt service under the Bonds/Loan. The Lease will have provisions for its renewal and extension which need to occur between 270 and 360 days prior to the Base Lease Term expiration date, subject to the concurrence of Centurion and Legacy. The Lease also provides for alternatives for the future transfer of ownership of the Project. First, Legacy has the right at any time to make a rejectable offer to repurchase the Project (for no less than the Lease Balance) but Centurion has no obligation to accept it. Second, if the Lease is not renewed, Legacy would return the Project to Centurion at the end of the Lease term. If such occurs, Centurion must attempt in good faith to sell the Project and enlist Legacy’s assistance as a “non-exclusive selling agent”.

c. Bond Purchaser

The purchaser of the Bonds will be MFS Investment Management (formerly known as Massachusetts Financial Services), a subsidiary of Sun Life Financial (a Canadian financial services firm primarily known as a life insurance company). In the Application, it is noted that MFS is not a “bank” but rather a full-service investment management firm which operates a number of proprietary funds and has in excess of \$500 billion under management. It is also noted that MFS has been in existence for nearly 100 years. The Bonds will be placed directly with MFS for long-term investment who will execute a typical investor letter with respect to its purchase of the Bonds. The Bonds may, at MFS’s election, be assigned CUSIP numbers and be issued as book-entry-only bonds. We have been advised by Centurion that the lender under the Loan will be a subsidiary or affiliate of Prudential Insurance Company.

4. Credit Assessment

- a. Centurion: The Applicant (Centurion) is a newly created special purpose entity controlled by the Centurion Foundation formed specifically for the subject transaction. Accordingly, Centurion will likely have a modest balance sheet with its primary asset being the Project encumbered by the Bonds and Loan. Although the Foundation has substantial financial resources (as reflected in the financial information accompanying the Application), Foundation will not be providing credit or financial support to Centurion or the Bonds/Loan. Because the Lease is essentially a “credit lease” the repayment of the Bonds/Loan is primarily dependent on Legacy’s rental payment obligation.
- b. Legacy Health: Legacy is an Oregon non-profit corporation that operates a health care system that includes six hospitals, hospice programs and clinics. It is the largest Oregon-based non-profit health care system in Oregon and one of the largest employers in the five-county Portland area. Financial statements for Legacy were provided with the Application,

including the most recently reported quarter ending March 31, 2023. Key financial metrics reflect a very challenging year for Legacy.

	March 31 2023	March 31 2022
• Days Cash on Hand	177	244
• Debt to Capitalization	30.9%	24.0%
• Cash to Long Term Debt	162.3%	252.0%
• Annual MADS Coverage	-1.1X	3.6X

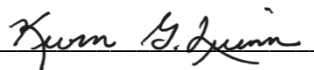
Legacy reported a series of debt financings and modifications in 2022 to address refinancing needs, extensions of various credit facilities, and payment of retirement fund obligations. It also secured a suspension of the debt service coverage covenant in its bank agreements for reporting periods ended 3/31/23 and 6/31/2023.

For the first three quarters of FY 2023, Legacy reported a change in net assets of (\$277,956,000) on revenues of \$2,414,938,000 (versus break even for FY 2022). Major causes cited for the operating losses include the residual effect of the pandemic, significant increase in labor costs, higher patient acuity, and increases in lengths of stay. Such challenges have been widespread in the acute care sector as the entire industry struggles to secure operational and financial improvements.

5. Summary

Centurion seeks to finance the acquisition of a property from Legacy Health entirely with the proceeds of tax-exempt bonds issued by the Authority and a direct taxable loan. Legacy's rental payments under a lease with Centurion would be the sole source of revenue available to Centurion to repay the Bonds. The Bonds are proposed to be sold to MFS Financial Services, a reputable well-capitalized institutional investor with extensive experience in assessing credit and making fixed-income investments. The proposed transaction would enable Legacy to monetize its equity in the Facility and use the sale proceeds to support its capital and operating needs, while maintaining its use of the Facility. Based on our review of the Application and related information, we recommend conditional final approval of the Bonds.

Respectfully submitted by First Tryon Advisors

By: 

Kevin G. Quinn, Managing Director



MEMORANDUM

TO: Members of the Oregon Facilities Authority
Gwendolyn Griffith, Executive Director
Mick Harris, Deputy Executive Director

FROM: Carol J. McCoog
Jennifer B. Córdova
John O. Renken

DATE: August 7, 2023

RE: Conditional Final Approval of Centurion Foundation North Graham Street, LLC
Application for Bond Financing through the Oregon Facilities Authority

Overview of 2023 Bonds

Centurion Foundation North Graham Street, LLC (the “Borrower”), an Oregon limited liability company whose sole member is The Centurion Foundation, Inc., a Georgia non-profit corporation and a 501(c)(3) organization, is requesting conditional final approval from the Oregon Facilities Authority (the “Authority”) for the issuance of tax-exempt bonds (the “2023 Bonds”) in an aggregate principal amount not to exceed \$39,000,000. Bond proceeds are expected to be used to finance a portion of the acquisition of an existing medical office and healthcare facility located on the campus of Legacy Emanuel Medical Center at 501 North Graham Street, Portland, Oregon (the “Project”) from Legacy Health (“Legacy”), an Oregon nonprofit corporation. Following the acquisition, the Borrower will lease the Project to Legacy pursuant to a triple-net lease (the “Facility Lease”) by and between the Borrower, as landlord, and Legacy, as tenant.

The 2023 Bonds are expected to be sold to MFS Investment Management (the “Bondholder”), a full-service investment management firm and a qualified institutional buyer as defined under Rule 144A of the Securities Act of 1933, as amended. The sale will be made pursuant to Oregon Administrative Rules 172-005-0050(1)(a)(ii).

Acquisition of the Project is expected to be financed through the issuance of the 2023 Bonds and a federally taxable note (the “Note”). The 2023 Bonds will be issued by the Authority pursuant to a Trust Indenture (the “Trust Indenture”), and the proceeds of the 2023 Bonds will be loaned to the Borrower pursuant to a Loan Agreement (the “Loan Agreement”). The Note will be issued by the Borrower pursuant to a Master Trust Indenture executed by and between the Borrower and a master trustee. All collateral rights in the Project, the Facility Lease, and all related property and collateral will be granted by the Borrower pursuant to appropriate

mortgages and security agreements in favor of the master trustee for the ultimate benefit of the Bondholder and Note purchaser.

The Trust Indenture and Loan Agreement are in process. Terms and conditions of the other transaction documents, including the Facility Lease, are currently being discussed and negotiated with all parties. We understand that Legacy desires to close the Bonds and the Note by September 30, 2023, the next financial reporting date for covenant testing.

Discussion of Open Issues and Next Steps

The federal tax analysis related to the 2023 Bonds is currently underway. As with all Authority transactions, we will conduct due diligence on the 501(c)(3) status of the Borrower and The Centurion Foundation, Inc., its sole member, in order to determine that such 501(c)(3) status is current and that, from our perspective, there is nothing that materially, adversely affects its status. For the 2023 Bonds, we will also conduct 501(c)(3) status on Legacy Health as the tenant and operator of the Project.

Additionally, we will conduct due diligence on the portion of the Project to which 2023 Bond proceeds have been allocated to determine whether there will be private business use or unrelated trade of business use that exceeds the IRS limitations.

Because of the unique aspects of this transaction, additional tax analysis related to the terms and conditions of the sale and lease components is required. For example, the acquisition by the Borrower of the Project must be considered a “true sale” for federal tax purposes. Many factors will be considered in determining whether the acquisition is a true sale; additionally, the accountants for both Legacy and the Borrower must treat the acquisition as a sale for accounting purposes. We will continue to work with the Borrower and Borrower’s counsel, as well as Legacy and its advisers, to work towards terms and conditions in the sale-leaseback structure that will meet the unqualified opinion standard for issuing our tax opinion.

Issuance of the 2023 Bonds is also dependent upon other aspects of the overall financing, including the negotiation of terms and conditions of the 2023 Bonds with the Bondholder and the Note with the Note purchaser. We understand that those discussions are underway and will be reflected in the Bond and transaction documents as those negotiations proceed.

Recommendation

As Bond Counsel to the Authority, we recommend the Board grant conditional final approval of the application submitted by the Borrower for the issuance of the 2023 Bonds through the Authority. The ultimate issuance of the 2023 Bonds will remain subject to several conditions precedent, including without limitation, the completion of our due diligence, our ability to issue

Memorandum
August 7, 2023
Page 2

an unqualified opinion regarding the validity, enforceability, and tax-exemption of the 2023 Bonds, and the completion of the Bond and transaction documents.

STATE OF OREGON
OREGON FACILITIES AUTHORITY

RESOLUTION No. 2023-12
ADOPTED: August 14, 2023

A RESOLUTION OF THE OREGON FACILITIES AUTHORITY RECOMMENDING THAT THE STATE TREASURER ISSUE REVENUE BONDS TO FINANCE AND REFINANCE THE PROJECT UPON SATISFACTION OF CERTAIN CONDITIONS AS DESCRIBED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY AGREEMENT BY AND BETWEEN THE AUTHORITY AND THE PARTICIPATING INSTITUTION; AND AUTHORIZING AND DETERMINING OTHER MATTERS WITH RESPECT THERETO.

WHEREAS, the Oregon Facilities Authority, a body politic and corporate duly created and existing under the laws of the State of Oregon (the “Authority”), is authorized and empowered by the provisions of Oregon Revised Statutes Chapters 286A and 289, as amended (the “Act”), to recommend to the State Treasurer the issuance of revenue bonds for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the loaning of the proceeds of such revenue bonds to “participating institutions” as defined in the Act in connection therewith; and

WHEREAS, Centurion Foundation North Graham Street, LLC (the “Borrower”), an Oregon limited liability company whose sole member is The Centurion Foundation, Inc., a Georgia non-profit corporation and a 501(c)(3) organization (the “Participating Institution”), has filed with the Authority an application requesting the issuance of revenue bonds to finance a portion of the acquisition of an existing medical office and healthcare facility located on the campus of Legacy Emanuel Medical Center at 501 North Graham Street, Portland, Oregon (the “Project”) from Legacy Health (“Legacy”), an Oregon nonprofit corporation, which will be leased to Legacy pursuant to a triple-net lease (the “Facility Lease”) by and between the Borrower, as landlord, and Legacy, as tenant; such application has been reviewed by the Executive Director of the Authority, the Authority’s bond counsel and the Authority’s financial advisor; and

WHEREAS, in said application the Participating Institution has requested that the Authority consider recommending that the State Treasurer issue tax-exempt revenue bonds (the “Bonds”) under the Act in an aggregate principal amount not to exceed \$39,000,000, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project and to pay the related costs associated therewith, including the funding of debt service reserve funds, if deemed necessary and desirable by the Participating Institution, and to pay costs of issuance of the Bonds; and

WHEREAS, the Bonds are expected to be purchased directly by MFS Investment Management, in a direct placement; and

WHEREAS, the Authority, the Participating Institution, and the other parties to the transactions pertaining to the issuance and sale of the Bonds, and the Authority’s bond counsel are preparing drafts of the basic documents needed in connection therewith; and

WHEREAS, because Legacy desires to close the Bonds by September 30, 2023, the Participating Institution has requested that the Authority grant conditional final approval recommending the issuance of the Bonds upon satisfaction of certain conditions set forth herein, and as such, the Authority wishes to delegate authority to the Executive Director of the Authority to certify that such conditions have been satisfied prior to the closing of the Bonds, upon the advice of the Authority’s bond counsel and financial advisor; and

WHEREAS, the Participating Institution is ready to proceed expeditiously with the issuance, sale and delivery of the Bonds and as such, the Authority wishes to delegate authority to the Executive Director of the Authority to approve final Bond Documents (as defined below) upon the advice of the Authority’s bond counsel and financial advisor.

NOW, THEREFORE, be it resolved by the members of the Authority as follows:

SECTION 1. ELIGIBILITY. The Authority, based upon the advice of its bond counsel, hereby finds and determines that the Project qualifies as a “project” within the meaning of the Act. The Authority further finds and determines that the financing of the Project by means of revenue bonds issued by the State Treasurer pursuant to the Act will promote the public purposes sought to be advanced by the Act.

SECTION 2. COMPLIANCE WITH LEGAL REQUIREMENTS AND ADMINISTRATIVE RULES. The Authority hereby finds and determines that the State Treasurer, or his designee, in reliance upon the advice of the Authority’s bond counsel and the Authority’s financial advisor, has determined that all legal requirements and other requirements for the issuance of the Bonds to finance the Project have been or will be met prior to the issuance of the Bonds.

The requirements of the Administrative Rules have been met insofar as such requirements relate to the matters referred to above and to the extent such requirements must be met as a condition precedent to the adoption of this resolution by the Authority.

SECTION 3. RECOMMENDATION TO ISSUE BONDS. Contingent upon the concurrence of the Executive Director of the Authority and the Director, Debt Management Division of the State Treasurer, the Authority hereby recommends that the State Treasurer issue the Bonds under the Act in an aggregate principal amount not to exceed \$39,000,000, and to loan the proceeds of such Bonds to the Participating Institution for the purposes described herein, subject to the Participating Institution’s compliance with all legal and other requirements and confirmation by the Executive Director of the Authority that the conditions described in Section 6 below have been satisfied. The Authority finds that no further meeting or action of the Authority is needed for the State Treasurer to proceed with the issuance of the Bonds.

SECTION 4. PRELIMINARY AGREEMENT; AUTHORIZATION. The form of Preliminary Agreement attached hereto as Exhibit A is hereby approved. The Executive Director of the Authority is hereby authorized, empowered and directed, for and on behalf of the Authority, to execute and deliver such Preliminary Agreement in substantially the form approved but with such

variations, changes, omissions and insertions as may be necessary or appropriate and not inconsistent with the provisions of applicable law and to execute such other documents and instruments as shall be necessary or advisable for the purpose of furthering the actions described in Section 3 hereof.

SECTION 5. APPROVAL OF FORMS OF BOND DOCUMENTS. The Executive Director of the Authority is hereby authorized, on behalf of the Authority, upon the advice of the Authority's bond counsel and the Authority's financial advisor, to approve the final form of the Trust Indenture, Loan Agreement, Facility Lease and other financing documents related to the Bonds (collectively, the "Bond Documents").

SECTION 6. CONDITIONS TO ISSUANCE, SALE AND DELIVERY OF BONDS. The Executive Director of the Authority is hereby authorized, on behalf of the Authority, with the advice of the Authority's bond counsel and the Authority's financial advisor, to approve the issuance, sale and delivery of the Bonds upon (1) delivery to the Authority of final Bond Documents; (2) confirmation that the terms and conditions of the Bonds are substantially the same as presented to the Board in connection with, and as described in, this Resolution; (3) finding that no material issues have arisen with respect to the transaction prior to the closing that, in the opinion of the Executive Director of the Authority create the need for additional review or approval by the Board; and (4) confirmation that all legal and other requirements for the issuance, sale and delivery of the Bonds have been satisfied.

SECTION 7. APPOINTMENT OF ATTORNEY-IN-FACT; DISCLOSURE COUNSEL. The Authority's bond counsel, the law firm of Hawkins Delafield & Wood LLP, Portland, Oregon ("Hawkins"), is hereby appointed the Authority's attorney-in-fact for the purpose of applying for any rulings from the Internal Revenue Service that may be required in connection with the Bonds described herein and for filing, signing and taking any other actions on behalf of the Authority in connection with any such ruling request.

SECTION 8. EFFECTIVENESS; CONFLICTING RESOLUTIONS. This Resolution shall be effective immediately upon its adoption. Any resolutions of the Authority and parts thereof which are in conflict with the terms of this Resolution shall be, and they hereby are, rescinded, but only to the extent of such conflict.

CERTIFICATION OF RESOLUTION

The undersigned does hereby certify that I am the duly appointed, qualified and acting Executive Director of the Oregon Facilities Authority; that the foregoing is a true and complete copy of Resolution No. 2023-12 as adopted by said Authority at a meeting duly called and held in accordance with law on August 14, 2023; and that the following members of the Authority voted in favor of said Resolution:

the following members of the Authority voted against said Resolution:

and the following members of the Authority abstained from voting on said Resolution:

In witness whereof, the undersigned has hereunto set her hand as of this 14th day of August 2023.

Gwendolyn Griffith, Executive Director

EXHIBIT A

PRELIMINARY AGREEMENT

BETWEEN

CENTURION FOUNDATION NORTH GRAHAM STREET, LLC

AND

OREGON FACILITIES AUTHORITY

THIS PRELIMINARY AGREEMENT is entered into as of the 14th day of August 2023 by and between the **OREGON FACILITIES AUTHORITY**, a public body corporate and politic duly created and existing under the laws of the State of Oregon (the “Authority”), and **CENTURION FOUNDATION NORTH GRAHAM STREET, LLC**, an Oregon limited liability company whose sole member is The Centurion Foundation, Inc., a Georgia non-profit corporation and a 501(c)(3) organization (the “Participating Institution”).

WHEREAS, the Authority is authorized and empowered by the provisions of Oregon Revised Statutes (“ORS”) Chapters 286A and 289, as amended (the “Act”), to recommend to the State Treasurer the issuance of revenue bonds for the purpose of financing or refinancing the acquisition, construction and equipping of “projects” as defined in the Act, and the loaning of the proceeds of such revenue bonds to “participating institutions” as defined in the Act in connection therewith; and

WHEREAS, the Participating Institution has filed with the Authority an application requesting the issuance of revenue bonds to finance a portion of the acquisition of an existing medical office and healthcare facility located on the campus of Legacy Emanuel Medical Center at 501 North Graham Street, Portland, Oregon (the “Project”) from Legacy Health (“Legacy”), an Oregon nonprofit corporation, which will be leased to Legacy pursuant to a triple-net lease (the “Facility Lease”) by and between the Borrower, as landlord, and Legacy, as tenant; such application has been reviewed by the Executive Director of the Authority, the Authority’s bond counsel and the Authority’s financial advisor; and

WHEREAS, in said application the Participating Institution has requested that the Authority consider recommending that the State Treasurer issue tax-exempt revenue bonds (the “Bonds”) under the Act in an aggregate principal amount not to exceed \$39,000,000, and to loan the proceeds of such Bonds to the Participating Institution for the purpose of financing the Project and to pay the related costs associated therewith, including the funding of debt service reserve funds, if deemed necessary and desirable by the Participating Institution, and to pay costs of issuance of the Bonds

WHEREAS, the Bonds are expected to be purchased directly by MFS Investment Management, in a direct placement; and

WHEREAS, the Authority has adopted a resolution pursuant to which it has recommended that the State Treasurer issue the Bonds under the Act for the purposes as described above; and

WHEREAS, the State Treasurer has indicated in writing his intent to issue the Bonds under the Act for the purposes described above;

NOW, THEREFORE, for and in consideration of the premises and the mutual undertakings of the parties as set forth herein, the Authority and the Participating Institution hereby agree as follows:

SECTION 1. RECOMMENDATION OF THE AUTHORITY. By Resolution No. 2023-____ adopted on August 14, 2023 (the “Resolution”), the Authority has recommended that the State Treasurer issue the Bonds under the Act in an aggregate principal amount not to exceed \$39,000,000, and to loan the proceeds of such Bonds to the Participating Institution for the purposes described in the Resolution. Such recommendation remains subject to the terms hereof and upon satisfaction by the Participating Institution of all conditions stated herein and all other conditions imposed on the Participating Institution by the Authority prior to issuance of the Bonds and upon compliance with all requirements of applicable law, including without limitation, the following conditions and understandings:

(i) **COMPLIANCE WITH APPLICABLE LAW.** Prior to the issuance of any Bonds, the Authority and the State Treasurer shall have been advised by the Authority’s bond counsel that all legal requirements for the sale of such Bonds have been fully met and complied with. If bond counsel advises the Authority that all legal requirements have not been complied with or that the financing and refinancing contemplated by the Participating Institution deviates in any material respect from the financing and refinancing proposed in the application of the Participating Institution, the Authority may require the Participating Institution to take further actions prior to the issuance of the Bonds, including resubmitting an updated application and seeking an additional approval of the Authority.

(ii) **BONDS ARE LIMITED OBLIGATIONS.** In the event that any Bonds are issued, such Bonds shall be payable solely and only from the specific properties and revenues pledged thereto and shall not constitute a debt of the State of Oregon or a lending of the credit of the State of Oregon within the meaning of any constitutional or statutory limitation or a charge upon any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto, and no holder of any such Bond shall have the right to enforce the payment of any amounts owing under or with respect to such Bonds out of any properties or revenues of the State of Oregon or the Authority not specifically pledged thereto. The Participating Institution understands that any loan agreement, amendment, supplement or other agreement to be entered into in connection with the Bond financing will provide that amounts payable thereunder by the Participating Institution will be sufficient to pay the principal of and the interest on, and redemption premium, if any, of the Bonds as and when the same become due and payable.

(iii) **DISCRETION TO DETERMINE WHETHER TO PROCEED.** The Authority and the State Treasurer shall each retain at all times complete and absolute discretion as to whether or not to proceed with the issuance of the Bonds, and each may refuse to proceed therewith for any reason deemed by either to be sufficient notwithstanding that all legal requirements for the issuance of such Bonds may have been met and fully complied with.

SECTION 2. UNDERTAKINGS ON THE PART OF THE PARTICIPATING INSTITUTION. The Participating Institution agrees as follows:

(A) **COMPLETION OF FINANCING.** If Bonds are issued as requested by the Participating Institution as described above, it is the intent of the Participating Institution to diligently cause the financing of the Project contemplated hereby to be completed and to cause the Project to continue to be operated in the manner and for the purposes previously disclosed to the Authority in the Participating Institution's application for financing. If the Bond proceeds are not sufficient to complete the financing of the Project, including the funding of any debt service reserve deemed to be necessary and desirable by the Participating Institution, and to pay costs of issuance of the Bonds, the Participating Institution agrees to cause the financing, the funding of any reserve and the payment of costs of issuance to be completed at the Participating Institution's expense. The Authority makes no representation or warranty that the proceeds of the Bonds will be sufficient to accomplish the financing, the funding of any reserve and payment of costs of issuance of the Bonds as planned by the Participating Institution, and the Participating Institution hereby acknowledges and agrees that it assumes all risks associated with such potential insufficiency.

(B) **COOPERATION WITH THE AUTHORITY AND TREASURER.** The Participating Institution will cooperate with the State Treasurer, the Executive Director of the Authority, the Authority's bond counsel and the Authority's financial advisor in all matters relating to the issuance, sale and delivery of the Bonds and the financing of the Project from the proceeds thereof; provided, however, that nothing herein shall obligate the Participating Institution to cause the Bonds to be issued.

(C) **ARRANGEMENT FOR SALE OF THE BONDS.** The Participating Institution acknowledges and agrees that it shall have sole responsibility for arranging for the sale of the Bonds, and acknowledges that under the Act, the State Treasurer has the ultimate authority to approve and remove any placement agent for the Bonds.

(D) **EXECUTION AND DELIVERY OF LOAN AGREEMENT:** At the time of issuance of any Bonds, the Participating Institution will deliver an executed loan agreement or other financing agreement with the State Treasurer (acting as issuer of the Bonds on behalf of the State), under which terms the Participating Institution will agree to pay the loan payments sufficient in the aggregate principal of and interest on, and redemption premium, if any, of the Bonds as and when the same shall become due and payable. The loan agreement or other financing agreement shall contain a provision that the Participating Institution shall indemnify and hold the Authority and the State of Oregon harmless from all liabilities incurred in connection with the financing and refinancing and the offering or sale of the Bonds.

(E) **FURTHER ACTIONS.** The Participating Institution will take such further action and adopt such further proceedings as may be required to implement the terms and provisions of this Preliminary Agreement. The Participating Institution shall obtain all necessary governmental approvals and opinions of bond counsel to ensure the legality of the Bonds and the exclusion of interest on the Bonds from gross income for federal income tax purposes of interest. In addition, the Participating Institution shall make no use of the Bond proceeds so as to cause the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(F) **REIMBURSEMENT FOR EXPENSES.** Regardless of whether the Bonds are issued, the Participating Institution will reimburse the Authority and the State Treasurer for all reasonable and necessary direct and indirect expenses incurred in connection with the consideration and processing of the application for bond financing and the preparation of the Bonds for issuance, which expenses shall be itemized on an invoice sent by the Authority to the Participating Institution and paid within thirty (30) days of the date of such invoice. If any Bonds are issued, the Participating Institution will pay, or cause to be paid, to the Authority its usual and customary fees according to Authority policy (as the same may be modified from time to time), its issuance fee and any annual fee.

(G) **FEES AND EXPENSES OF BOND COUNSEL, DISCLOSURE COUNSEL AND FINANCIAL ADVISOR.** The Participating Institution hereby agrees to pay the fees and expenses of Hawkins Delafield & Wood LLP, bond counsel and disclosure counsel (hereinafter, “bond counsel”) to the Authority, and First Tryon Advisors, financial advisor to the Authority, for professional services rendered in connection with the issuance, sale and delivery of any Bonds. The Participating Institution acknowledges that the fees and expenses of bond counsel and the financial advisor shall be as set forth in the respective contracts of said firms entered into with the Authority and the State Treasurer, subject to such modifications as may have been agreed upon in writing by bond counsel or the financial advisor, as appropriate. The fees and expenses of bond counsel and the financial advisor shall be paid at the time of the issuance and delivery of any Bonds; *provided, however,* that with respect to any expenses which it is not practicable for bond counsel or the financial advisor to compile and itemize at such time, such expenses shall be paid within thirty (30) days from the date of any invoice therefor; and *provided further,* that if the Participating Institution abandons or otherwise fails to complete the financing contemplated hereby within six months from the date of adoption of the Authority resolution referred to in the preamble hereto, the Participating Institution shall pay all fees and expenses incurred by said bond counsel or said financial advisor in connection therewith, which fees and expenses shall be itemized on an invoice sent to the Participating Institution and paid within thirty (30) days of the date of such invoice.

(H) **INDEMNITY AND HOLD HARMLESS AGREEMENT.** The Participating Institution hereby agrees to indemnify and hold the State of Oregon, the State Treasurer, the Authority and their respective officials, officers, members and employees (the “Indemnified Parties”) harmless against and from any and all claims, of whatever nature and howsoever arising, by or on behalf of any person, firm, corporation or other legal entity arising from the execution of this Preliminary Agreement or any other actions taken or omitted to be taken by any of the Indemnified Parties or the Participating Institution

relating in any way to the Project or the offering, sale, remarketing or issuance of the Bonds or any transaction related to the foregoing, including without limitation any claim or liability arising from or in connection with:

- (i) any condition of the Project or the construction thereof;
- (ii) any breach or default on the part of the Participating Institution in the performance of any of its obligations under this Preliminary Agreement or any other agreement entered into in connection with the Bonds or the Project;
- (iii) any act or negligence of the Participating Institution or of any of its agents, contractors, servants, employees or licensees;
- (iv) any act or negligence of any assignee or lessee of the Participating Institution, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the Participating Institution;
- (v) any material misstatement or omission, or alleged material misstatement or omission, made or omitted in any disclosure materials used in connection with the offering or sale of the Bonds or any other information used in connection with the offering, placement, sale, remarketing or purchase of any Bond (other than a material misstatement or omission contained in information provided by an Indemnified Party specifically for inclusion in disclosure materials relating to the Bonds).

The Participating Institution shall indemnify and save the Indemnified Parties harmless from any such claim arising as aforesaid, or in connection with any action or proceeding brought thereon, and upon notice from the Indemnified Party, the Participating Institution shall, subject to ORS Chapter 180 (or any successor provision of law), defend it in any such action or proceeding at the Participating Institution's expense, and shall pay all attorney's fees and expenses of the Indemnified Parties incurred in connection therewith at trial, on appeal or otherwise related to the claim for which indemnification is provided hereunder, and against all other liabilities arising from the issuance of the Bonds on behalf of the Participating Institution and any fees and costs incurred by the Indemnified Parties in responding to any U.S. Department of the Treasury Internal Revenue Service (the "IRS") audit, U.S. Securities and Exchange Commission (the "SEC") inquiry or any Federal, State or regulatory action or proceeding with respect to the Bonds or the Project. The Authority and the State Treasurer may employ, at the Participating Institution's expense, any legal counsel or experts required in responding to any IRS audit, SEC inquiry or any other Federal, State or regulatory action or proceeding with respect to the Bonds or the Project. The foregoing indemnification and hold harmless agreement shall be and remain in full force and effect notwithstanding the failure or refusal, for any reason, of the Authority or the State Treasurer to proceed with the issuance of the Bonds. Notwithstanding anything to the contrary contained herein, the Participating Institution shall have no liability to indemnify the Indemnified Parties against claims or damages resulting from the Indemnified Parties' own willful misconduct.

SECTION 3. MISCELLANEOUS. The State of Oregon, the State Treasurer, the Authority and their respective officials, officers, members and employees, and Hawkins Delafield & Wood LLP and First Tryon Advisors, and each of them individually, shall be third party beneficiaries of this agreement with respect to payment of their respective fees, with the right to enforce the provisions of this agreement directly and individually and without joining any other beneficiary hereof.

This agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

This agreement shall be binding upon the parties hereto and their respective successors and assigns.

This agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Participating Institution have caused this Preliminary Agreement to be executed and delivered by their duly authorized officers or representatives as of the date first set forth above.

OREGON FACILITIES AUTHORITY

By: _____
Its Executive Director

**CENTURION FOUNDATION NORTH
GRAHAM STREET, LLC,
AS PARTICIPATING INSTITUTION**

By: _____