BEFORE THE HOSPITAL FACILITIES AUTHORITY
OF MULTNOMAH COUNTY, OREGON

RESOLUTION NO.

Authorizing Approval of the Issuance, Sale, Execution and Delivery of Revenue Refunding Bonds, in One or More Series (Mirabella at South Waterfront), by The Hospital Facilities Authority of Multnomah County, Oregon.

The Board of Directors of The Hospital Facilities Authority of Multnomah County, Oregon Finds:

1. The Board of Directors (the "Board") of The Hospital Facilities Authority of Multnomah County, Oregon (the "Authority"), a public authority organized and existing pursuant to Oregon Revised Statutes ("ORS") Sections 441.525 to 441.595, inclusive (the "Act"), has received a request from Mirabella at South Waterfront (the "Borrower"), a nonprofit corporation organized and existing under the laws of the State of Oregon and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), to execute and deliver revenue refunding bonds, in one or more series, in an aggregate principal amount not to exceed $95,000,000 (the "Bonds"), for the benefit of the Borrower, to finance and refinance the costs of the following projects (collectively, the "Project"):

   (a) currently refund all or a portion of the Authority's outstanding Variable Rate Demand Revenue Bonds, Series 2008A (Mirabella at South Waterfront Project) (the "2008 Bonds");

   (b) fund a debt service reserve fund, if required; and

   (c) payment of certain costs of issuance of the Bonds and costs of refunding the 2008 Bonds, including the payment of interest rate swap agreement termination payments.

2. The Authority previously issued the 2008 Bonds for the purpose of financing the costs of designing, constructing, acquiring, equipping and furnishing the Borrower's continuing care retirement facilities located at 3550 SW Bond Avenue, Portland, Oregon 97239.

3. The Authority has received an application from the Borrower in support of its request for financing and refinancing of the Project. The application includes the following:

   (a) A letter from the Borrower dated July 23, 2014, requesting issuance of the Bonds for the benefit of the Borrower and describing the Project;

   (b) Financial Statements for the Borrower for fiscal years ended September 30, 2012 and 2013 and Unaudited Financial Statements for the eight months ended May 31, 2014;

   (c) Preliminary financing schedule;

   (d) Distribution list of financing participants;

(e) Preliminary schedule of sources and uses of funds and proposed debt service schedule; and

(f) Status report of Mirabella Portland and the proposed refinancing.

4. ORS Section 441.550 authorizes the Authority to borrow money and to issue revenue bonds for the purpose of carrying out its powers on such terms as the Board deems necessary or advisable. The Authority has determined that the execution and delivery of the financing documents described below and the use of the proceeds thereof by the Borrower to finance and refinance the Project is necessary and desirable and that such financing and refinancing of the Project is in the best interests of the citizens of Multnomah County, Oregon.

5. The Authority will sell and issue the Bonds and loan the proceeds thereof under the following financing documents (collectively, the "Financing Documents"), which may include, but are not limited to:

(a) one or more Bond Indentures between the Authority and U.S. Bank National Association, as bond trustee (the "Bond Trustee");

(b) one or more Loan Agreements between the Authority and the Borrower;

(c) Preliminary and Final Official Statements;

(d) a Bond Purchase Agreement among the Authority, the Borrower and Cain Brothers & Company, LLC, as underwriter of the Bonds (the "Underwriter"); and

(e) a Tax Certificate and Agreement.

6. The Bonds may be issued in any combination of tax-exempt and federally taxable fixed rate bonds or variable rate bonds. To proceed expeditiously with the marketing, offering, issuance and sale of the Bonds, the Borrower has requested that the Authority authorize that all or a portion of the Bonds may be offered and sold to the public by the Underwriter and may be privately placed with one or more initial bondholders (the "Purchasers"), one or both of which would be utilized to maximize the refunding opportunities for the Borrower. The Borrower intends to enter into certain additional documents with various parties in connection with the sale and issuance of the Bonds that may include, but are not limited to a continuing disclosure agreement, an escrow deposit agreement, one or more supplements to master trust indenture, one or more credit agreements, one or more interest rate swap agreements or amendments or terminations thereto; and one or more deeds of trust or amendments thereto.

7. The principal of and interest on the Bonds will not constitute a debt of the Authority or Multnomah County, Oregon, nor shall the Bonds be payable from a tax of any nature levied upon any property within Multnomah County, Oregon nor within any other political subdivision of the State of Oregon. The Authority has no taxing power. The Bonds will be payable only from the revenues and resources provided or arranged by the Borrower.

8. The Authority wishes to ensure compliance with the requirements of the Code, and the applicable regulations associated with the Bonds and any outstanding or future issuance of tax-exempt qualified 501(c)(3) bonds issued by the Authority and wishes to establish and

maintain a policy with respect to post-issuance compliance procedures (the "Post-Issuance Compliance Procedures")

9. The Board determines that it is in the best interest for the Authority to provide adequate adult congregate living facilities and related services for the people of Multnomah County, Oregon and to proceed with the issuance of the Bonds. Capitalized terms not defined herein shall have the meanings set forth in the Financing Documents.

The Board of Directors of The Hospital Facilities Authority of Multnomah County, Oregon Resolves:

Section 1. The Authority does authorize and approve of the provisions of and directs the execution, sale, delivery and issuance by the Authority of the Bonds, in one or more series, in an aggregate principal amount not to exceed $95,000,000 to finance and refinance the Project, as described herein.

Section 2. The Authority designates each of the Chair, Vice Chair, Secretary, Assistant Secretary, Chief Financial Officer of the County, County Treasurer or any of their designees as "Authorized Representatives," collectively, and each as an "Authorized Representative," individually, of the Authority to negotiate the terms and the sale of the Bonds and to determine and designate the dated date, the series designation, the method of sale, the maturity dates and amounts, the interest rates and interest rate modes, the optional and mandatory redemption/tender provisions (including provisions for optional extension(s) of the mandatory redemption/tender date), with or without premium, if any, and the interest payment dates and such other provisions and terms of the Bonds as are deemed necessary and desirable for the issuance, sale and closing of the Bonds. The Bonds shall be executed by the facsimile signature of the Chair and shall be attested by the facsimile signature of an Authorized Representative of the Authority. The Bonds shall mature not later than December 31, 2049. The Bonds shall be issued or executed in the form as may be approved by an Authorized Representative.

Any Authorized Representative is authorized to execute and deliver a letter of intent, substantially in the form attached hereto as Exhibit A (the "Letter of Intent"), which sets forth the basic obligations of the Authority and the Borrower regarding the Bonds.

Section 3. The Board authorizes any Authorized Representative to review and approve the terms and provisions of the Financing Documents.

Section 4. The Authority provides for the establishment of the special funds as set forth in the Financing Documents, to be held in trust by the Bond Trustee as set forth therein. The Authority is obligated to deposit proceeds of the Bonds to the funds as set forth in and as required by the Financing Documents. In addition, the Authority shall provide for the deposit of all of the loan payments payable to the Authority in accordance with the Financing Documents.

Section 5. The Authority's pledge for the payment of the Bonds made pursuant to the Bond Indenture shall be valid and binding from the date of the issuance of the Bonds against any parties having subsequent claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have actual notice of this pledge. Pursuant to Oregon Revised Statutes Section 441.555(5), this pledge is noted in the Authority's minute book which shall contain this Resolution and which shall be constructive notice thereof to all parties, and neither this Resolution nor other instrument by which a pledge is created need be otherwise recorded, nor shall the filing of any financing statement under the Oregon Uniform Commercial Code be required to perfect such pledge. Any moneys or obligations so pledged and later received by the Authority shall immediately be subject to the lien of the pledge without any physical delivery or further act.

Section 6. The Authority authorizes the sale of the Bonds to the Underwriter and/or the Purchasers pursuant to the terms and conditions of the Financing Documents as may be approved by any Authorized Representative.

Section 7. The Authority directs an Authorized Representative to execute and deliver the Financing Documents in the forms and with such changes as may be approved by such Authorized Representative. The Authority authorizes the performance by the Authority of the obligations and duties on its part contained in the Financing Documents. Any one or more of the Authorized Representatives shall approve, execute and deliver each of the above-described Financing Documents and such other documents as are necessary or desirable to consummate the sale and issuance of the Bonds.

Section 8. U.S. Bank National Association is designated and approved as the Bond Trustee and Paying Agent and Registrar of the Bonds. The Authority requests and authorizes the Bond Trustee to execute the Certificate of Authentication on the Bonds as of the date of delivery of the Bonds. The Bond Trustee shall maintain a record of the names and addresses of the registered owners of the Bonds. The records of the registered bond ownership are not public records within the meaning of Oregon Revised Statute Section 192.210(4).

Section 9. The Authority designates Orrick, Herrington & Sutcliffe LLP as Bond Counsel and Special Counsel to the Authority (collectively, "Bond Counsel") for the Bonds.

Section 10. During any time the Bonds are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Authority has entered into a Blanket Issuer Letter of Representations (the "Letter") wherein the Authority represents that it will comply with the requirements stated in DTC's Operational Arrangements as they may be amended from time to time.

Section 11. For purposes of compliance by the Underwriter with Rule 15c2-12(b)(1) (the "Rule") of the federal Securities and Exchange Commission, the Authority authorizes the distribution of the Preliminary Official Statement and the Official Statement by the Underwriter, and the Authorized Representatives are authorized to deem the Preliminary Official Statement as "final" for purposes of the Rule.

Section 12. The Bonds may be transferred or subject to exchange as provided in the Financing Documents. All Bonds issued upon transfer of or in exchange for Bonds shall be valid obligations of the Authority evidencing the same obligation and shall be entitled to the same benefits as the Bonds surrendered for such exchange or transfer. All fees, expenses and charges of the paying agent and registrar shall be payable by the Borrower.

Section 13. The Authority may defease the Bonds as provided in the Financing Documents.

Section 14. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall own the same from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the Authority with the Owners and shall be deemed to be and shall constitute a contract between the Authority and the Owners. The covenants, pledges, and representations contained in this Resolution or in the closing documents executed in connection with the Bonds, including without limitation the Authority's covenants and pledges contained herein, and the other covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be contracts for the equal benefit, protection and security of the Owners, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

Section 15. Each Authorized Representative of the Authority is authorized to take such action and to approve, execute or deliver for and on behalf of the Authority such other and additional documents including, but not limited to, an escrow deposit agreement, a Tax Certificate and Agreement and an Internal Revenue Service Information Report (Form 8038) at the request of the Borrower in a timely manner, all as may be necessary or desirable in the opinion of Bond Counsel, for the issuance, sale and ongoing administration of the Bonds. The Authorized Representatives are further authorized to carry out the transactions contemplated by the Financing Documents and as authorized and approved in this Resolution, and to execute and deliver the Financing Documents, the Bonds, the Tax Certificate and Agreement and all other documents hereby authorized, to the respective parties entitled thereto.

Section 16. The Board delegates responsibility to the Chief Financial Officer of the County to execute and deliver Post-Issuance Compliance Procedures on behalf of the Authority to ensure compliance with the requirements of the Code and any other regulations applicable to the Bonds.

ADOPTED and effective this 21st day of August 2014.

THE HOSPITAL FACILITIES AUTHORITY OF MULTNOMAH COUNTY, OREGON

By: ______________________________________
Chair

ATTEST:

By: ______________________________________
Secretary

REVIEWED:

JENNY M. MADKOUR, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By: ______________________________________
Jacqueline A. Weber, Deputy County Attorney

EXHIBIT A

LETTER OF INTENT

between

THE HOSPITAL FACILITIES AUTHORITY OF MULTNOMAH COUNTY, OREGON

and

MIRABELLA AT SOUTH WATERFRONT

THIS LETTER OF INTENT is between THE HOSPITAL FACILITIES AUTHORITY OF MULTNOMAH COUNTY, OREGON, a public authority of the State of Oregon (the "Authority"), and MIRABELLA AT SOUTH WATERFRONT, a nonprofit corporation organized and existing under the laws of the State of Oregon and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Borrower").

1. **Preliminary Statement**. Among the matters of mutual inducement, which have resulted in the execution of this Letter of Intent are the following:

(a) The Authority is a public authority, authorized and empowered by ORS 441.525 to 441.595 (the "Act") to issue revenue bonds for the purposes specified therein, including providing funds to nonprofit corporations sufficient to improve, extend, maintain, equip and furnish hospital facilities and adult congregate care facilities under the Act, upon such terms and conditions as the Authority may deem advisable.

(b) The Authority proposes to issue revenue refunding bonds, in one or more series, in an aggregate principal amount not to exceed $95,000,000 (the "Bonds"). The proceeds of the Bonds will be used to make a loan to the Borrower to finance and refinance the costs of the following projects (collectively, the "Project"): (1) currently refund all of the Authority's outstanding Variable Rate Demand Revenue Bonds, Series 2008A (Mirabella at South Waterfront Project) (the "2008 Bonds"); (2) funding a debt service reserve fund, if required; and (3) paying certain costs of issuance of the Bonds and costs of refunding the 2008 Bonds, including the payment of interest rate swap agreement termination payments.

The total estimated costs of the Project to be financed and refinanced with the proceeds of the Bonds will be in an aggregate principal amount not to exceed $95,000,000.

(c) The Authority deems it necessary and advisable that it take such action as may be required under the Act to authorize and issue the Bonds to finance and refinance all or a portion of the costs of the Project in a total amount not to exceed $95,000,000.

(d) The Authority finds that the issuance of the Bonds to finance and refinance the costs of the Project, and the loaning of the proceeds thereof to the Borrower constitutes a valid public purpose.

(e) All references in this Letter of Intent to the Authority shall be deemed to include where appropriate, its elected and appointed officials, employees and agents.

2. **Undertakings on the Part of the Authority**. Subject to (a) the conditions stated herein and (b) the preparation and approval of the various financing documents and review and approval by Bond Counsel, as defined below, the Authority agrees and represents as follows:

(a) The Authority will, upon satisfaction by the Borrower of all conditions stated herein and all other conditions imposed on the Borrower by the Authority prior to issuance of the Bonds, authorize and cause the issuance of its Bonds to be payable solely from revenues and assets of the Borrower to the Authority pursuant to the Financing Documents (as defined in a Resolution adopted by the Authority on August 21, 2014), which Bonds will be in an aggregate principal amount not to exceed $95,000,000.

(b) The Authority will adopt such proceedings and authorize the execution of such documents as may be necessary and advisable for the authorization, issuance, sale and delivery of the Bonds, and loan the proceeds of the Bonds to the Borrower to finance and refinance the Project, all as authorized by law and as mutually satisfactory to the Borrower and the Authority.

(c) The amounts payable to the Authority under the Financing Documents 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.

(d) The Authority has appointed Orrick, Herrington & Sutcliffe LLP as Bond Counsel and Special Counsel to the Authority (collectively, "Bond Counsel") to supervise the proceedings and to approve the legality of the Bonds and the tax-exempt status of interest on the Bonds.

(e) Neither the Bonds nor the interest thereon shall be an obligation of the Authority, Multnomah County, Oregon (the "County") or the State of Oregon, or the personal obligations of the elected or appointed officials, employees or agents of the Authority, the County or the State of Oregon within the meaning of any constitutional or statutory provisions whatsoever, but shall be payable solely from revenues or assets provided or arranged by the Borrower. The Bonds shall not be a general obligation of the Authority or its elected or appointed officials, employees or agents nor a pledge of the faith and credit of the Authority or its elected or appointed officials, employees or agents nor a debt or pledge of the faith and credit of the County or the State of Oregon. The Authority has no taxing authority.

(f) No presently existing assets of the Authority or the County shall be given to secure the Bonds, and the Bonds shall be repayable out of, and only out of, revenues or assets provided or arranged by the Borrower.

3. **Undertakings on the Part of the Borrower**. Subject to the conditions above stated, the Borrower agrees as follows:

(a) The Borrower will cooperate with the Authority for the approval of all of the terms and conditions of the issuance of the Bonds and in the sale of the Bonds in an aggregate principal amount not to exceed $95,000,000 to be used to finance and refinance the Project.

(b) At the time of closing of the Bonds, the Borrower will pay to the Authority, from Bond proceeds or other available Borrower funds, an issuer's fee equal to one dollar ($1.00) per one thousand dollars ($1,000) of the principal amount of the Bonds, but not less than $10,000, and the Borrower will pay from Bond proceeds or other available Borrower funds, to Bond Counsel, fees based on the time incurred with respect to the Bonds and the Project based on its standard hourly rates plus its out-of-pocket expenses.

(c) At the time of closing of the Bonds, the Borrower will deliver the executed Financing Documents, under which terms the Borrower will agree to pay the Authority loan payments sufficient in the aggregate to pay the principal of and interest on, and redemption premium, if any, of the Bonds as and when the same shall become due and payable. The Authority, at its option, may require the Bonds to be secured by a reserve fund acceptable in form and substance to the Authority.

(d) In addition to the indemnification and hold harmless obligations of the Borrower under Section 5(a) hereof, the Financing Documents shall contain provisions in which the Borrower shall indemnify and hold the Authority and the County and their elected or appointed officials, employees and agents harmless from all liabilities incurred in connection with the Project or the sale, issuance, marketing or administration of the Bonds.

(e) The Borrower will cause Borrower's counsel to provide the Authority with a legal opinion substantially the same in form and substance as the legal opinion provided by Borrower's counsel to the Purchaser with respect to the Bonds.

(f) The Financing Documents shall also contain such other provisions as may be required or permitted by law and as are mutually acceptable to the parties.

(g) In addition to the indemnification and hold harmless obligations of the Borrower under Section 5(a) hereof, the Borrower shall indemnify and save the Authority and the County, their appointed or elected officials, employees or agents harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from any fees or costs incurred by the Authority or the County in responding to any Internal Revenue Service audit, Securities and Exchange Commission inquiry or any other federal, state or regulatory action or proceeding with respect to the Bonds or the Project. The Authority may employ, at the Borrower's expense, any counsel (internal or otherwise) or experts required in responding to any audit, inquiry, regulatory action or proceeding with respect to the Bonds or the Project.

(h) The Borrower will take such further action and adopt such further proceedings as may be required to implement these undertakings.

4. **General Provisions**.

(a) Except as provided in Section 4(b) and Section 5(a) hereof or as otherwise provided herein, all obligations arising under this Letter of Intent are conditioned upon the parties agreeing to mutually acceptable terms for the sale of the Bonds and mutually acceptable terms and conditions for the contracts and agreements contemplated herein; provided, however, that the Authority shall not participate in or be responsible for the marketing of the Bonds.

(b) Notwithstanding anything to the contrary stated herein, the Borrower will pay, or cause to be paid, whether the Bonds are actually issued or not, any fees and expenses incurred in connection with the issuance, sale and on-going administration of the Bonds, including without limitation, the reasonable fees and expenses of Bond Counsel, the Authority's financial advisor, if any, and a paying agent or registrar, if necessary. In addition, the Borrower shall pay the out-of-pocket costs of Bond Counsel, the Authority's financial advisor, if any, and County staff. The Borrower will also pay the cost and fees of its counsel, placement agent, Purchaser's fees and any other costs incurred in connection with the Project or the Bonds.

(c) The Borrower shall obtain, at its expense, all necessary governmental approvals and opinions of Bond Counsel to ensure the legality and tax-exempt status of interest on the Bonds. In addition, the Borrower shall make no use of the Bond proceeds so as to cause the Bonds to be classified as "arbitrage bonds" as that term is defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code") or cease to be "qualified 501(c)(3) bonds" as that term is defined in Section 145 of the Code.

5. **Miscellaneous Provisions**.

(a) The Borrower shall and hereby agrees to indemnify and save the Authority and the County, their appointed or elected officials, employees or agents harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the execution of this Letter of Intent and any and all other actions to be taken by the Authority or the County relating to the Project or the issuance of the Bonds for so long as the Bonds remain outstanding, including, without limitation, the conduct or management of, or from any work or thing done related to the Project, including without limitation, (i) any condition related to the Project, (ii) any breach or default on the part of the Borrower in the performance of any of its obligations under this Letter of Intent, (iii) any act or negligence of the Borrower, or of any of its agents, contractors, servants, employees or licensees, (iv) any act or negligence of any assignee or lessee of the Borrower, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the Borrower, (v) any liability arising from the sale, issuance, marketing or administration of the Bonds, or (vi) any Internal Revenue Service audit or proceeding or any Securities and Exchange Commission investigation proceeding or any inquiry or any other federal, state or local regulatory action, investigation or proceeding. The Borrower shall indemnify and save the Authority and the County and their elected or appointed officials, employees or agents harmless from any such claim arising as aforesaid, or in connection with any action or proceeding or costs or fees incurred in any action or proceedings brought thereon whether at trial, on appeal, in bankruptcy proceedings or otherwise, and upon notice from the Authority or its elected or appointed officials, employees or agents, the Borrower shall defend them or either of them in any such action or proceeding at the Borrower's expense.

Notwithstanding the fact that it is the intention of the parties hereto that the Authority and the County and their elected or appointed officials, employees or agents shall not incur any pecuniary liability by reason of the terms of this Letter of Intent or the undertakings required of the Authority or the County or their elected or appointed officials, employees or agents hereunder, by reason of the issuance of the Bonds or by reason of the execution of any Financing Documents relating thereto, or by reason of the performance of any act requested by the Authority or the County, its elected or appointed officials, employees or agents or by the Borrower, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulation pertaining to the foregoing; nevertheless, if the Authority or the County or its elected or appointed officials, employees or agents should incur any such pecuniary liability, then in such event the Borrower shall indemnify and hold the Authority and the County and their elected or appointed officials, employees or agents harmless against all claims, demands or causes of action whatsoever, by or on behalf of any person, firm or corporation or other legal entity arising out of the same or out of any lack of offering document in connection with the sale or resale of the Bonds and all costs, fees and expenses, including without limitation, legal fees and expenses whether incurred at trial, on appeal, in bankruptcy proceedings or otherwise incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Authority or its elected or appointed officials, employees or agents, the Borrower shall defend the Authority and its elected or appointed officials, employees or agents in any such action or proceeding.

Notwithstanding anything to the contrary contained herein, the Borrower shall have no liability to indemnify the Authority or the County, or its elected or appointed officials, employees or agents, against claims or damages resulting from the Authority's or the County or their elected or appointed officials, employees or agents own gross negligence or willful misconduct.

In the event any claim is made against the Authority or the County, their elected or appointed officials, employees or agents (collectively, the "Indemnified Parties") for which indemnification may be sought from the Borrower under the foregoing provisions, the Indemnified Parties shall promptly give written notice thereof to the Borrower; provided that any failure to give or delay in giving such written notice shall not relieve the Borrower's indemnification obligations as set forth above except to the extent such failure or delay prejudices the Borrower's ability to defend or settle such claim. Upon receipt of such notice, the Borrower shall assume the defense thereof in all respects and may settle such claim in such manner as it deems appropriate so long as there is no liability, cost or expense to the Indemnified Party.

(b) If Bond proceeds are not sufficient to complete the Project, the Borrower agrees to pay, or cause to be paid, the deficiency.

(c) The Authority and the Borrower have caused this Letter of Intent to be authorized by their respective governing body or board of directors, and executed by their duly authorized officers as of the 21st day of August 2014.

THE HOSPITAL FACILITIES AUTHORITY OF MULTNOMAH COUNTY, OREGON

By: ____________________________________
Authorized Representative

MIRABELLA AT SOUTH WATERFRONT

By: ____________________________________
Authorized Representative