

**BEFORE THE HOSPITAL FACILITIES AUTHORITY
OF MULTNOMAH COUNTY, OREGON**

RESOLUTION NO. 09-026

Authorizing Approval of the Issuance of Revenue and Refunding Bonds, Series 2009 (Oregon Baptist Retirement Homes Project) by The Hospital Facilities Authority of Multnomah County, Oregon in an Aggregate Principal Amount Not to Exceed \$7,500,000; Designating an Authorized Representative; and Related Matters

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

- a. The Board of Directors 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 Oregon Baptist Retirement Homes (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 issue, execute and deliver Revenue and Refunding Bonds, Series 2009 (Oregon Baptist Retirement Homes Project), in an aggregate principal amount not to exceed \$7,500,000 (the "Series 2009 Bonds") to finance the costs of the following projects (collectively, the "Project"):
 1. currently refunding the State of Oregon Health, Housing, Educational and Cultural Facilities Authority (now known as Oregon Facilities Authority), Revenue Bonds (Oregon Baptist Retirement Homes – Weidler Retirement Center Project), 1996 Series A, that financed the acquisition and renovation of and improvements to a rental retirement community for seniors known as the Weidler Retirement Center (the "Facility"), located in Portland, Oregon;
 2. improvement, construction, remodeling, renovation and/or expansion of the Facility;
 3. reimbursing the Borrower for the costs of the purchase price of certain real property located adjacent to the Facility at 1824 N.E. 106th Avenue, Portland, Oregon 97220 expected to be used for future expansion; and
 4. paying certain costs of issuance of the Series 2009 Bonds, including credit enhancement costs.
- b. 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 of Directors 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 the Project is necessary and desirable and that such financing documents and the Project are in the best interest of the citizens of Multnomah County, Oregon.

- c. Section 147(f) of the Code requires that qualified 501(c)(3) bonds be approved by the Chair of the Board of County Commissioners of Multnomah County, Oregon as the chief applicable elected representative of the governmental unit issuing the Series 2009 Bonds and having jurisdiction over the area in which the Project is located.
- d. Section 147(f) of the Code also requires that a public hearing be conducted to provide the opportunity for members of the public to express their view, orally or in writing, regarding the issuance of the Series 2009 Bonds and the Project. The Authorized Representative, as hereinafter defined, conducted a public hearing on March 9, 2009 and has provided a hearing officer's report to the Chair of the Board of County Commissioners. Notice of the public hearing was published February 23, 2009 in *The Oregonian*.
- e. The Authority will issue, sell and secure payment of the Series 2009 Bonds under the following financing documents (collectively, the "Financing Documents"):
 - 1. A Bond Trust Indenture between the Authority and U.S. Bank National Association, as bond trustee (the "Bond Trustee");
 - 2. A Loan Agreement between the Authority and the Borrower;
 - 3. An Official Statement;
 - 4. A Bond Purchase Agreement between the Borrower and Piper Jaffray & Co. as underwriter (the "Underwriter"); and
 - 5. A Deed of Trust, Security Agreement and Assignment of Leases and Rents.
- f. The Series 2009 Bonds will be issued as tax-exempt, variable rate bonds secured by an irrevocable, direct pay letter of credit issued by U.S. Bank National Association (the "Letter of Credit Bank"), pursuant to a Reimbursement Agreement between the Borrower and the Letter of Credit Bank (the "Reimbursement Agreement"). The Borrower may enter into an interest rate swap agreement or other interest rate hedging agreement in connection with all or any portion of the Series 2009 Bonds as described in the Series 2009 Financing Documents. The Borrower intends to enter into certain additional documents with various parties in connection with the issuance of the Series 2009 Bonds that may include, a remarketing agreement and a pledge and security agreement.
- g. The principal of and interest on the Series 2009 Bonds will not constitute a debt of the Authority or Multnomah County, Oregon, nor shall the Series 2009 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 Series 2009 Bonds will be payable only from the revenues and resources provided or arranged by the Borrower.

- h. The Board determines that it is in the best interest for the Authority to provide adequate adult congregate care facilities and related services within Multnomah County, Oregon and to proceed with the issuance of the Series 2009 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 Series 2009 Bonds, in an aggregate principal amount not to exceed \$7,500,000 to finance the Project.

Section 2. The Authority designates each of the Chair, Vice Chair, Secretary, the Chief Financial Officer of the County, the County Treasurer or the Authority's designee as "Authorized Representatives," collectively, and as an "Authorized Representative," individually, of the Authority to negotiate the terms and the sale of the Series 2009 Bonds and to determine and designate the dated date, the series designation, the maturity dates and amounts, the interest rates and interest rate modes, the optional and mandatory redemption provisions, with or without premium, if any, and the interest payment dates and such other provisions and terms of the Series 2009 Bonds as are deemed necessary and desirable for the issuance, sale and closing of the Series 2009 Bonds. The Series 2009 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 Series 2009 Bonds shall mature not later than December 31, 2034. The Series 2009 Bonds shall be issued or executed in the form as may be approved by the Authorized Representative.

Section 3. The Board authorizes the 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 as set forth therein. The Authority is obligated to deposit proceeds of the Series 2009 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 pursuant to the Financing Documents.

Section 5. The Authority's pledge for the payment of the Series 2009 Bonds shall be valid and binding from the date of the adoption of this Resolution 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 Series 2009 Bonds to the Underwriter pursuant to the terms and conditions of the Bond Purchase Agreement as may be approved by the Authorized Representative.

Section 7. The Authority directs the Authorized Representative to execute and deliver the Financing Documents in the forms and with such changes as may be approved by the Authorized Representative. The Authority authorizes the performance by the Authority of the obligations and duties on its part as 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 to consummate the sale and issuance of the Series 2009 Bonds.

Section 8. U.S. Bank National Association, in Portland, Oregon, is designated and approved as the Bond Trustee, Paying Agent and Bond Registrar of the Series 2009 Bonds. The Authority does request and authorize the Bond Registrar to execute the Certificate of Authentication as of the date of delivery of the Series 2009 Bonds. The Paying Agent and Bond Registrar shall maintain a record of the names and addresses of the registered owners of the Series 2009 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 Series 2009 Bonds.

Section 10. During any time the Series 2009 Bonds are held in a book-entry only system (the "Book-Entry System"), the registered owner of all of the Series 2009 Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Series 2009 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 Underwriters with Rule 15c2-12(b)(1) (the "Rule") of the federal Securities and Exchange Commission, the Authority authorizes the distribution of the Official Statement by the Underwriter, and the Authorized Representatives are authorized to deem the Official Statement as "final" for purposes of the Rule.

Section 12. For purposes of compliance with Treasury Regulations Section 1.148-4(h)(2), the Authorized Representatives are authorized to approve, execute and deliver a written certification and “identification” of the interest rate swap or interest rate swaps at the request of the Borrower, as may be necessary in the opinion of Bond Counsel.

Section 13. The Series 2009 Bonds may be transferred or subject to exchange, for fully registered Series 2009 Bonds as provided in the Financing Documents. All Series 2009 Bonds issued upon transfer of or in exchange for Series 2009 Bonds shall be valid obligations of the Authority evidencing the same obligation and shall be entitled to the same benefits as the Series 2009 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 14. The Authority may defease the Series 2009 Bonds as provided in the Financing Documents.

Section 15. In consideration of the purchase and acceptance of any or all of the Series 2009 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 Series 2009 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 Series 2009 Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

Section 16. The Authorized Representatives, and each of them, are 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 a tax certificate and agreement, an Internal Revenue Service Information Report (Form 8038), the Reimbursement Agreement, a letter of credit, a remarketing agreement, a written certification and “identification” of any interest rate swap related to the Series 2009 Bonds within the meaning of Treasury Regulations Section 1.148-4(h)(2) at the request of the Borrower in a timely manner, and any documents necessary to obtain credit enhancement or liquidity support for the Series 2009 Bonds, if applicable, all as may be necessary in the opinion of Bond Counsel, for the closing of the issuance and sale of the Series 2009 Bonds. The Authorized Representatives are further authorized to carry out the transactions contemplated by the documents defined in the Financing Documents and as authorized and approved in this Bond Resolution, and to execute and deliver the Financing Documents, the Series 2009 Bonds, the Tax Certificate and Agreement and all other documents hereby authorized, to the respective parties entitled thereto.

ADOPTED and effective this 12th day of March 2009.

**THE HOSPITAL FACILITIES AUTHORITY
OF MULTNOMAH COUNTY, OREGON**

By


Chair

ATTEST:

By


Authorized Representative

REVIEWED:

**AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON**

By


Agnes Sowle, County Attorney