

REVIEWED

LEGAL COUNSEL

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BEFORE THE BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY,
OREGON

A Resolution Approving Issuance of *
Hospital Revenue Refunding Bonds, Series * RESOLUTION NO. 2022-027
2022 (St. Charles Health System) By The *
Hospital Facility Authority of Deschutes *
County, Oregon. *

WHEREAS, the Board of County Commissioners of Deschutes County, Oregon (“County”) acknowledges that The Hospital Facility Authority of Deschutes County, Oregon (“Authority”) has received a request from St. Charles Health System, Inc., a nonprofit corporation organized and existing under the laws of the State of Oregon (“Borrower”) to issue Revenue Refunding Bonds, Series 2022 (St. Charles Health System), in one or more series (the “2022 Bonds”), in an aggregate principal amount not to exceed \$80,000,000; and

WHEREAS, the proceeds of the 2022 Bonds are expected to be used for the purpose of refunding the Authority’s previously issued Revenue Bonds, Series 2014, the proceeds of which were used, in part, to finance costs of capital construction, acquisition, development, improvements, renovations and equipment at the healthcare facilities of the Borrower located in (i) Deschutes County at: 2500 NE Neff Road, Bend, OR 97701, 2600 NE Neff Road, Bend, OR 97701, 2042 NE Williamson Court, Bend, OR 97701, 2084 NE Professional Court, Bend, OR 97701, 2100 NE Wyatt Court, Bend, OR 97701, 2275 NE Doctors Drive, Suite 5, Bend, OR 97701, 2542 NE Courtney Drive, Bend, OR 97701, 2965 NE Connors Ave., Suite 127, Bend, OR 97701, 1253 NW Canal Blvd., Redmond, OR 97756, 1541 NW Canal Blvd., Redmond, OR 97756, 1245 NW 4th Street, Suite 101, Redmond, OR 97756, 211 NW Larch Ave., Redmond, OR 97756, 213 NW Larch Ave., Suite B, Redmond, OR 97756, 655 NW Jackpine Ave., Redmond, OR 97756 and 630 N Arrowleaf Trail, Sisters, OR 97759; (ii) the City of Madras, Oregon at: St. Charles Madras (formerly Mountain View Hospital) and its outpatient clinic facilities located at 470 NE “A” Street, 480 NE “A” Street and 76 NE 12th Street, each in Madras, Oregon 97741; and (iii) the City of Prineville, Oregon at: 384 SE Combs Flat Road, Prineville, Oregon 97754 (collectively, the “Projects”); and

WHEREAS, the principal of and interest on the 2022 Bonds will not constitute a debt of the County nor shall the 2022 Bonds be payable from a tax of any nature levied upon any property

within the County nor any other political subdivision of the State of Oregon. The 2022 Bonds will be payable only from the revenues and resources provided by the Borrower; and

WHEREAS, the Internal Revenue Code of 1986 (the “Code”) authorizes the issuance of revenue bonds for a “qualified 501(c)(3) entity,” such as the Borrower; and

WHEREAS, Section 147(f) of the Code requires that qualified 501(c)(3) bonds be approved by the applicable elected representatives of the governmental unit having jurisdiction over the area in which the projects are located and the Board of County Commissioners of Deschutes County are the applicable elected representatives of the governmental unit having jurisdiction over the portion of the projects being refinanced with the proceeds of the 2022 Bonds located in the County; and

WHEREAS, on May 6, 2022, the Authority adopted a Resolution authorizing the issuance of the 2022 Bonds and the execution and delivery of an Intergovernmental Agreement (“Intergovernmental Agreement”) between the Authority, the City of Madras, Oregon, and the City of Prineville, Oregon, pursuant to ORS 190.010 which designates the Authority as the issuer of the 2022 Bonds. Such Intergovernmental Agreement will help provide cost savings to the nonprofit healthcare facilities of the Borrower; and

WHEREAS, on April 26, 2022, the Common Council of the City of Madras conducted a public hearing and adopted a Resolution approving the issuance of the 2022 Bonds by the Authority for the portion of the Projects located in its jurisdiction and authorizing the execution and delivery of the Intergovernmental Agreement; and

WHEREAS, on April 26 2022, the City Council of the City of Prineville conducted a public hearing and adopted a Resolution approving the issuance of the 2022 Bonds by the Authority for the portion of the Projects located in its jurisdiction and authorizing the execution and delivery of the Intergovernmental Agreement; and

WHEREAS, on May 6, 2022, the Authority conducted a public hearing, adequate notice of this hearing having been published pursuant to Section 147(f) of the Code, to provide a reasonable opportunity for members of the public to express their views regarding the issuance of the 2022 Bonds and the uses and purposes of the proceeds of the 2022 Bonds; and

WHEREAS, a copy of the Public Hearing Report to the Board of County Commissioners submitted by the Chair of the Authority is attached hereto as Exhibit “A”; and

WHEREAS, the County finds that it would be in the best interest of the County to approve of the issuance of the 2022 Bonds by the Authority pursuant to the requirements of Section 147(f) of the Code;

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY, OREGON, as follows:

Section 1. As the applicable elected representatives of the governmental unit having jurisdiction over the Authority and over the area in which a portion of the Projects are located, and having concluded that a public hearing was validly held to provide a reasonable opportunity

for members of the public to express their views regarding the issuance of the 2022 Bonds and the uses and purposes of the proceeds of the 2022 Bonds, the Board of County Commissioners of Deschutes County, Oregon, approves of the issuance of the 2022 Bonds by the Authority.

Section 2. This resolution is effective immediately upon passage.

Dated this 11th day of May, 2022.

BOARD OF COUNTY COMMISSIONERS OF
DESCHUTES COUNTY, OREGON

PATTI ADAIR, Chair

ANTHONY DEBONE, Vice Chair

ATTEST:

Recording Secretary

PHIL CHANG, Commissioner

Exhibit “A”

Public Hearing Report to the Board of County Commissioners