

## RESOLUTION 2022-2

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALEM, OREGON AUTHORIZING THE APPROVAL OF REVENUE BONDS (CAPITAL MANOR PROJECT), IN ONE OR MORE SERIES, ISSUED BY THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$70,000,000.**

**WHEREAS**, the Hospital Facility Authority of the City of Salem, Oregon (the “Authority”), has received a request from Capital Manor, Inc., a nonprofit corporation organized and existing under the laws of the State of Oregon (the “Borrower”), to issue its Revenue Bonds, Series 2022 (Capital Manor Project), in one or more series and in an aggregate principal amount not to exceed \$70,000,000 (the “Bonds”) to (i) finance and refinance the costs of the acquisition, development, construction, improving, remodeling and equipping of the Borrower’s continuing care retirement facilities located in Salem, Oregon, (ii) refinance the Authority’s Oregon Revenue Refunding Bonds, Series 2012 (Capital Manor, Inc.), (iii) fund a debt service reserve account, if necessary and (iv) pay certain costs of issuance of the Bonds (collectively, the “2022 Project”).

**WHEREAS**, on January 10, 2022 the Authority adopted a Resolution authorizing the sale, execution and delivery of the Bonds and related financing documents for and on behalf of the Borrower.

**WHEREAS**, the City of Salem, Oregon (the “City”) has been advised by Orrick, Herrington & Sutcliffe LLP, legal counsel to the Authority, that the principal of and interest on the Bonds will not constitute a debt of the City, nor shall the Bonds be payable from a tax of any nature levied upon any property within the City or any other political subdivision of the State of Oregon. The Bonds will be payable only from the revenues and resources provided by the Borrower.

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

**WHEREAS**, Section 147(f) of the Code requires that qualified 501(c)(3) obligations (in this case the Bonds) be approved (1) by the applicable elected representatives of the governmental unit having jurisdiction over the area in which the 2022 Project is located; and (2) by the applicable elected representatives of the governmental unit issuing such obligations. The Board of Directors of the Authority are not elected representatives. The members of the Council of the City are the applicable elected representatives for the Authority.

**WHEREAS**, on January 10, 2022, the Authority conducted a public hearing (the “Public Hearing”) with respect to the proposed issuance of the Bonds by the Authority. The notice of Public Hearing was published on January 3, 2022 in the *Statesman Journal* (the “Notice”). An affidavit of publication of the Notice is attached hereto as Exhibit A. The public hearing was intended to provide a reasonable opportunity for members of the public to be heard by the Authority regarding the 2022 Project and the issuance of the Bonds. A copy of the Public Hearing Report is attached hereto as Exhibit B (the “Public Hearing Report”).

**WHEREAS**, the City Council (the “Council”) finds that it would be in the best interest of the City to approve of the authorization, execution, sale and delivery of the Bonds by the Authority pursuant to the requirements of Section 147(f) of the Code.

**NOW, THEREFORE, THE CITY OF SALEM RESOLVES, AS FOLLOWS:**

Section 1. The Council has reviewed the Affidavit of Publication of the Notice and finds that such publication was reasonable public notice of such hearing, and the Council has reviewed the Public Hearing Report and finds that no written comments were received, and no members of the public appeared at the public hearing to express their views on the proposed 2022 Project.

Section 2. The Council, as the applicable elected representatives of the governmental unit on behalf of which the Bonds will be issued, and as the applicable elected representatives of the governmental unit having jurisdiction over the area in which the 2022 Project financed with the Bonds is located, approves of the issuance of the Bonds by the Authority for purposes of Section 147(f) of the Code in an aggregate principal amount not to exceed \$70,000,000.

Section 3. The Bonds are nonrecourse revenue Bonds of the Authority payable solely from the revenues and resources provided by the Borrower. The City has no liability or obligation with respect to the Bonds.

Section 4. The City Manager, or the City Manager's designee, are hereby authorized to enter into an agreement with the Borrower, pursuant to which the Borrower will indemnify the City and its appointed or elected officials, employees and agents harmless against and from all claims arising from the City's participation in the approval of the Bonds or the construction, acquisition, operations or use of the facilities financed with the Bonds.

Section 5. This Resolution shall take effect immediately upon its adoption by the City Council.

ADOPTED by the Council this 24th day of January 2022.

ATTEST:

By: \_\_\_\_\_  
City Recorder

APPROVED BY SPECIAL COUNSEL:  
HAWKINS DELAFIELD & WOOD LLP

By: \_\_\_\_\_  
Carol J. McCoog

**EXHIBIT “A”**  
**AFFIDAVIT OF PUBLICATION**

**EXHIBIT “B”**  
**PUBLIC HEARING REPORT**