

RESOLUTION NO. 3335

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALBANY, OREGON APPROVING OF GROSS REVENUE AND REFUNDING BONDS, SERIES 1994 (MENNONITE HOME PROJECT) BY THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF ALBANY, OREGON.

WHEREAS, Mennonite Home of Albany, Inc. ("Mennonite Home") has requested the Hospital Facility Authority of the City of Albany, Oregon (the "Authority") to issue Gross Revenue and Refunding Bonds, Series 1994 (the "Series 1994 Bonds") for and in the name of the Authority in the approximate principal amount of \$8,500,000 for the purpose of providing funds for the following projects:

(a) To pay the interest due and to fully defease and redeem the Hospital Facility Authority of the City of Albany, Oregon First Mortgage Revenue Bonds, 1979 (Mennonite Home Project) (the "Refunded Bonds") due October 1, 1994 through and including October 1, 2004, at par value, in the principal amount of \$1,810,000; and

(b) Providing funds for financing, in part, the constructing, improving and equipping of Assisted Living Phase I ("Phase I") and Assisted Living Phase II ("Phase II") to the Home. Phase I shall consist of the constructing and equipping of 54 additional adult care units adding approximately 48,000 square feet to the Mennonite Home and a 10,000 square foot maintenance building and conversion and renovation to a portion of the existing residential care facility and Phase II shall consist of the constructing and equipping of 34 additional adult care units which will add approximately 27,000 square feet to the Mennonite Home; and

(c) In addition, the proceeds of the Series 1994 Bonds may be allocated, in part, to reimburse the Mennonite Home for prior capital expenditures of the Mennonite Home for the Project, as described in paragraph (b) above, incurred pursuant to an "Official Intent Resolution" adopted by the Board of Directors of the Mennonite Home on August 17, 1993; and

(d) To fund the Debt Service Reserve Fund for the Series 1994 Bonds, to fund the capitalized interest on a portion of the 1994 Bonds and to pay the costs of issuance of the Series 1994 Bonds.

WHEREAS, on February 23, 1994 the Authority adopted a resolution in which the Authority agreed to use its best efforts, in cooperation with Mennonite Home to issue the Series 1994 Bonds pursuant to law and to loan the proceeds to Mennonite Home.

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code") authorizes the issuance of revenue bonds for hospital facilities of a "qualified 501(c)(3) entity". Mennonite Home is a qualified 501(c)(3) entity. Section 147(f) of the Code requires that qualified 501(c)(3) bonds be approved by a governmental unit by its elected representatives. The Board of Directors of the Authority are not "elected representatives" but are appointed by the City Council of the City of Albany, Oregon. In order for the Authority to issue the Bonds, it is necessary that the City Council

of the City of Albany, Oregon conduct a public hearing as the elected representatives of the governmental unit on behalf of which such Series 1994 Bonds are to be issued, and as the governmental unit having jurisdiction over the area in which the Mennonite Home is located.

WHEREAS, notice of the public hearing was published February 7, 1994 in *The Albany Democrat-Herald*. The public hearing is intended to provide a reasonable opportunity for the residents of the City of Albany, Oregon to be heard by the governmental unit issuing the Bonds and the governmental unit having jurisdiction over the area where Mennonite Home is located.

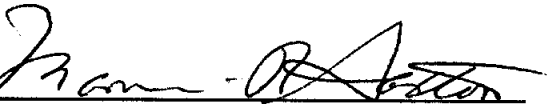
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALBANY, OREGON:

Section 1. The City Council of the City of Albany, Oregon conducted a public hearing at 7:15 p.m. on February 23, 1994 in the Council Chambers of the City. No members of the public were present and no comments, oral or written, were received by the City Council of the City of Albany, Oregon.

Section 2. The City Council, as the elected representatives of the governmental unit from which the Authority derived its power and authority and on behalf of which the Series 1994 Bonds are to be issued, and as the governmental unit having jurisdiction over the area in which Mennonite Home is located, approves of the issuance of the Series 1994 Bonds by the Hospital Facility Authority of the City of Albany, Oregon.

ADOPTED by the City Council this 23rd day of February, 1994.

CITY OF ALBANY, OREGON

By 
Council President

ATTEST:

By 
Deputy City Recorder