

BEFORE THE HOSPITAL FACILITIES AUTHORITY OF
MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 03-01

Authorizing Approval of the Issuance of Revenue Bonds, Series 2003 (Providence Health System), in one or more Series, by the Hospital Facility Authority of Clackamas County, Oregon

The Hospital Facilities Authority of Multnomah County, Oregon Finds:

- a. The Hospital Facility Authority of Clackamas County, Oregon (the "Clackamas Authority") has received a request from Providence Health System, a private, nonprofit corporation organized and existing under the laws of the State of Oregon (the "Borrower") to issue Revenue Bonds, Series 2003 (Providence Health System) in one or more series, in an aggregate principal amount not to exceed \$220,000,000 (the "Bonds"), to (1) redeem, refund or defease the Clackamas Authority's Hospital Revenue Bonds, Series 1987 and Hospital Revenue Bonds (Sisters of Providence), Series 1992 (collectively, the "Refunded Bonds"); (2) finance and refinance the construction, remodeling, additions, improvements, and equipment located at the following addresses, owned and operated by the Borrower: (i) Providence Portland Medical Center, 4805 N.E. Glisan Street, Portland, Oregon 97213; (ii) Providence Medical Group, 1235 N.E. 47th Street, Portland, Oregon 97213; (iii) Providence Home and Community Services, 1235 N.E. 47th Street, Portland, Oregon 97213; (iv) Providence Child Center, 830 N.E. 47th Avenue, Portland, Oregon 97213; (v) Providence Milwaukie Hospital, 10150 S.E. 32nd, Milwaukie, Oregon 97222; (vi) Providence St. Vincent Medical Center, 9205 S.W. Barnes Road, Portland, Oregon 97225; (vii) Providence Medford Medical Center, 1111 Crater Lake Avenue, Medford, Oregon 97504; and (viii) Providence Home Care and Hospice of Providence, 1660 E. McAndrews Road, Medford, Oregon 97504; and (3) pay certain costs of issuance (collectively, the "Project"). The maximum aggregate principal amount of Bonds to be issued to finance each of the projects at the addresses identified above, as well as the maximum amount of Bonds to be issued in the aggregate for all projects, will not exceed \$220,000,000.
- b. Oregon Revised Statutes ("ORS") Section 441.575 provides that hospital facility authorities may act jointly to effectuate the purpose of financing health care and adult congregate living facilities.
- c. The Hospital Facilities Authority of Multnomah County, Oregon (the "Authority"), the Clackamas Authority, The Hospital Facilities Authority of the City of Medford, Oregon (the "Medford Authority") and Washington County, Oregon have the authority to approve and execute an Intergovernmental Cooperation Agreement (the "Intergovernmental Agreement") pursuant to ORS 190.010 and ORS 441.575 and to designate the Clackamas Authority as the issuer of the Bonds. Such Intergovernmental Agreement will help provide cost savings to the nonprofit health facilities in their respective communities.
- d. Section 147(f) of the Internal Revenue Code of 1986, as amended, requires that qualified 501(c)(3) bonds be approved by the applicable elected representatives of (1) the governmental unit issuing such bonds (the Clackamas Authority); such approval will be obtained by the Board of County Commissioners of Clackamas County, Oregon, and (2) the governmental unit having jurisdiction over the area in which the Project, or any portion thereof, is located (the Board of County Commissioners of Multnomah County, Oregon) for Providence Medical Group, Providence Home and Community Services, Providence Medical Center and Providence Child Care in Multnomah County, Oregon.
- e. The Board of County Commissioners of Multnomah County, Oregon as the governmental unit having jurisdiction over the area in which a portion of the project is located (Providence Medical Group, Providence Home and Community Services, Providence Medical Center and Providence Child Care in Multnomah County, Oregon) has been asked to approve the Bonds at the Board of County Commissioners meeting on April 3, 2003. Additionally, on April 1, 2003, Washington

County, Oregon conducted a public hearing and approved the issuance of the Bonds as the governmental unit having jurisdiction over the area in which Providence St. Vincent Medical Center is located; the City Council of the City of Medford, Oregon is scheduled to conduct a public hearing on March 20, 2003 as the governmental unit having jurisdiction over the area in which Providence Medford Medical Center and Providence Home Care and Hospice of Providence are located; and the Clackamas Authority is scheduled to conduct a public hearing at their meeting at which they adopt their final Bond Resolution, as the governmental unit having jurisdiction over the area in which Providence Milwaukie Hospital is located.

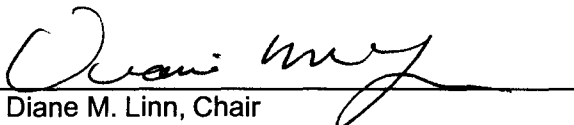
- f. The principal of and interest on the Bonds will not constitute a debt of the Multnomah Authority nor Multnomah County, Oregon, nor shall the Bonds be payable from a tax of any nature levied upon any property within Multnomah County, Oregon nor within any other political subdivision of the State of Oregon. The Bonds will be payable only from the revenues and resources of the Borrower.

The Hospital Facilities Authority of Multnomah County, Oregon Resolves:

1. Approval of Bonds. The Authority approves of the issuance of the Bonds by the Hospital Facility Authority of Clackamas County, Oregon.
2. Approval of Intergovernmental Agreement. The Authority authorizes the execution and delivery of the Intergovernmental Agreement and any other action necessary in connection with the Bonds. Such documents shall be executed by the Chair, Vice-Chair or Secretary of the Authority for and on behalf of the Authority.
3. Recommendation to the Board of County Commissioners. The Authority recommends to the Board of County Commissioners of Multnomah County, Oregon, as the elected representatives of the governmental unit in which a portion of the Project is located (Providence Medical Group, Providence Home and Community Services, Providence Medical Center and Providence Child Care in Multnomah County, Oregon), the approval of the Bonds.

ADOPTED this 3rd day of April, 2003.

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

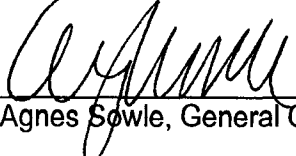
By 
Diane M. Linn, Chair

ATTEST:


David A. Boyer, Assistant Secretary

REVIEWED:

AGNES SOWLE, GENERAL COUNSEL
FOR THE HOSPITAL FACILITIES AUTHORITY
OF MULTNOMAH COUNTY, OREGON

By: 
Agnes Sowle, General Counsel