

BEFORE THE HOSPITAL FACILITIES AUTHORITY OF
MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 03-02

Approving an Intergovernmental Agreement and Issuance of Revenue Bonds (Legacy Health System), Series 2003 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 Legacy Health System, a private, nonprofit corporation organized and existing under the laws of the State of Oregon (the "Borrower") to issue Revenue Bonds (Legacy Health System), Series 2003, in an aggregate principal amount not to exceed \$50,000,000 (the "Bonds"), to finance and/or refinance the costs of constructing, remodeling, improving and equipping the following facilities (collectively, the "Project"): (i) approximately \$8,700,000 for the Borrower's hospital and medical clinic facilities located at Legacy Meridian Park Hospital, 19300 SW 65th, Tualatin, Oregon; (ii) approximately \$5,200,000 for the Borrower's hospital and medical clinic facilities located at Legacy Mount Hood Medical Center, 24800 SE Stark, Gresham, Oregon; (iii) approximately \$22,400,000 for the Borrower's hospital and medical clinic facilities located at Legacy Emanuel Hospital and Health Center, 2801 N Gantenbein, Portland, Oregon; (iv) approximately \$8,500,000 for the Borrower's hospital and medical clinic facilities located at Legacy Good Samaritan Hospital and Medical Center, 1015 NW 22nd and 1130 NW 22nd, Portland, Oregon; and (v) approximately \$15,500,000 for installation of a system-wide clinical and administrative system located at 1919 NW Lovejoy Street, Portland, Oregon to support the Borrower's hospital and medical clinic facilities. and (vi) pay certain costs of issuance. 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 \$50,000,000.
- b. On October 22, 2003 the Clackamas Authority adopted an Inducement Resolution preliminarily approving of the Bonds and authorizing the execution and delivery of an Intergovernmental Cooperation Agreement (the "Intergovernmental Agreement") between the Clackamas Authority and The Hospital Facilities Authority of Multnomah County, Oregon (the "Multnomah Authority"). The Intergovernmental Cooperation Agreement designates the Clackamas Authority as the issuer of the Bonds for the Project.
- c. The principal of and interest on the Bonds will not constitute a debt of the Multnomah Authority, Multnomah County nor shall the Bonds be payable from a tax of any nature levied upon any property within Multnomah County, Oregon nor

any other political subdivision of the State of Oregon. The Bonds will be payable only from the revenues and resources provided by the Borrower.

- d. 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.
- e. 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 Hospital Facility Authority of Clackamas County, Oregon); such approval will be obtained by the Board of County Commissioners of Clackamas County, Oregon, and (2) the governmental unit (the Board of County Commissioners of Multnomah County, Oregon) having jurisdiction over the area in which a portion of the Project is located (Legacy Emanuel Hospital and Health Center, Legacy Good Samaritan Hospital and Health Center, Legacy Mount Hood Medical Center and the portion of the system-wide clinical and administrative system located in Multnomah County, Oregon).
- f. On October 30, 2003, the Chief Financial Officer, as a designated hearings officer for Multnomah County, Oregon, conducted a public hearing to provide a reasonable opportunity for members of the public to express their views, orally or in writing, regarding the issuance of the Bonds. A copy of the Public Hearing Report is attached hereto as Exhibit A.
- g. Notice of the public hearing was published in the October 15, 2003 edition of *The Oregonian*. An affidavit of publication of the notice of public hearing is attached hereto as Exhibit B.
- f. On November 13, 2003, the Chair of the Board of County Commissioners of Multnomah County, Oregon as the applicable chief elected official of the governmental unit having jurisdiction over the area in which the Projects in Multnomah County are located, prepared and signed a letter approving of the TEFRA Hearing and the issuance of the Bonds; and

The Hospital Facilities Authority of Multnomah County, Oregon Resolves:

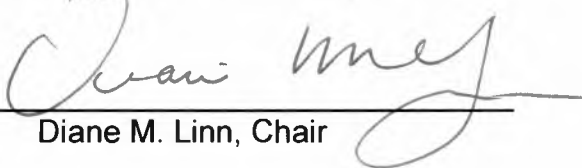
- 1. Approval of Bonds. The Multnomah Authority approves of the issuance of the Bonds by the Hospital Facility Authority of Clackamas County, Oregon.
- 2. Authorized Representative of the Authority. The Chief Financial Officer or Treasury Manager of Multnomah County are designed as authorized representatives (the "Authorized Representatives") to execute and deliver such documents, and any and all other things or acts necessary for the issuance of the Bonds by the Clackamas Authority. Such acts of the Authorized Representatives

are for and on behalf of the County and are authorized by the Board of County Commissioners of the County.

3. Approval of Intergovernmental Agreement. The Multnomah Authority authorizes the execution and delivery of the Intergovernmental Agreement by an Authorized Representative of the Multnomah Authority for and on behalf of the Multnomah Authority.

ADOPTED this 13th day of November, 2003.

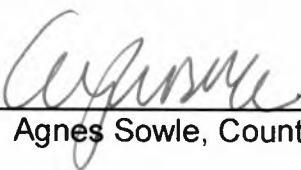
**THE HOSPITAL FACILITIES AUTHORITY
OF MULTNOMAH COUNTY, OREGON**



Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By 

Agnes Sowle, County Attorney

EXHIBIT A

**REPORT TO THE BOARD OF COUNTY COMMISSIONERS OF
MULTNOMAH COUNTY, OREGON**

**RE: Public Hearing on Issuance of
Hospital Facility Authority of Clackamas County, Oregon
Revenue Bonds,
Series 2003
(Legacy Health System)**

On October 30, 2003 Multnomah County, Oregon (the "County") held a public hearing at the Multnomah Building, Cypress Room, 501 S.E. Hawthorne Blvd., Portland, Oregon 97214 pursuant to the provisions of Section 147(f) of the Internal Revenue Code of 1986. The undersigned, as the Chief Financial Officer for the County and a designated Hearing Officer for the County conducted such hearing for and on behalf of the County.

The Notice of Public Hearing (the "Notice of Public Hearing") was published October 15, 2003 in *The Oregonian*. The purpose of the public hearing was to receive oral or written comments from the public regarding the proposed issuance of Revenue Bonds, Series 2003 (Legacy Health System), by the Hospital Facility Authority of Clackamas County, Oregon in an aggregate principal amount not to exceed \$50,000,000 (the "Bonds") for projects located in Multnomah County as described in the Notice of Public Hearing.

At 11:05 a.m. the Hearing Officer convened the public hearing and requested any oral or written comments. The following individuals were present: Gordon Edwards, Director of Financial Operations, Legacy Health System, and Douglas E. Goe, Esq. and Sherri Graves, Project Manager, from Orrick, Herrington & Sutcliffe LLP, bond counsel and special counsel to the Hospital Facility Authority of Clackamas County, Oregon.

No comments, written or oral, were submitted to the Hearing Officer other than comments of a representative of Legacy Health System who made a presentation in support of the Bonds. At approximately 11:08 a.m. the public hearing was adjourned.

Respectfully submitted,

MULTNOMAH COUNTY, OREGON



By: _____
David A. Boyer
Chief Financial Officer

DATED: October 30, 2003