CHFFA REVENUE BOND FINANCING PROGRAM
EXECUTIVE SUMMARY

Applicant: Northern California Retired Officers Community dba Paradise Valley Estates ("PVE")
2600 Estates Drive
Fairfield, CA 94533
(Solano County)

Amount Requested: $37,000,000
Requested Loan Term: Up to 30 years
Authority Meeting Date: February 28, 2013
Resolution Number: 387

Project Location: 2600 Estates Drive, Fairfield, CA (Solano)
Facility Type: Continuing Care Retirement Facility and Skilled Nursing
Eligibility: A qualified health facility pursuant to Government Code 15432(d)(3) and (9)
Prior Borrower: Yes (CHFFA Series 2002 and 2005 bonds remain outstanding).

Background: Incorporated in 1992, Northern California Retired Officers Community dba Paradise Valley Estates provides retired uniformed services officers, their spouses, widows and widowers with housing facilities and care services specifically designed to meet their physical, social, recreational and psychological needs. PVE is a continuing care retirement community located in Fairfield, California. Please see Exhibit 2 for more particular utilization statistics.

Use of Proceeds: Bond proceeds from the 2013 Bonds (the "Bonds") will be used to refund all of the California Health Facilities Financing Authority ("CHFFA") Series 2002 Bonds (the "2002 Bonds"). Based on current market conditions, PVE expects this refunding will result in an estimated net present value savings of $3.4 million over the life of the Bonds (Please see page two for more detail).

Type of Issue: Negotiated public offering with fixed rate bonds (Expected minimum denominations of $5,000)
Credit Enhancement: Cal-Mortgage Insurance (approval pending)
Expected Credit Rating: A- (S&P) based on Cal-Mortgage Insurance
Financing Team: *Please see Exhibit 1 to identify possible conflicts of interest*

Financial Overview: Over the review period**,** PVE appears to exhibit strong operating results and appears to have a solid financial position with a proforma debt service coverage ratio of 1.91x.

Estimated Sources of Funds:			**Estimated Uses of Funds:**		
Bond proceeds	$	32,105,000	Refund Series 2002 CHFFA Bonds	$	34,954,717
Other funds*		7,412,541	Debt service reserve fund		3,440,399
			Financing costs		642,100
			Cal-Mortgage fees		480,325
Total Estimated Sources	$	39,517,541	**Total Estimated Uses**	$	39,517,541

*Includes 2002 Bonds debt service reserve fund and revenue fund deposits and PVE's equity contribution.

Due Diligence: Staff has received and reviewed the Eligibility, Legal Review, Religious Due Diligence, Savings Pass Through, Seismic, and the Iran Contracting Act Certificate documentation. All documentation satisfies the Authority's requirements.

Staff Recommendation: Staff recommends the Authority approve Resolution Number 387 in an amount not to exceed $37,000,000 subject to the conditions in the resolution, including the credit enhancement to be afforded by Cal-Mortgage Insurance. Macias Gini & O'Connell, LLP, the Authority's financial analyst, and Public Financial Management ("PFM"), Inc., the Authority's financial advisor, concur with staff recommendations.

I. PURPOSE OF FINANCING:

PVE plans to refund its California Health Facilities Financing Authority ("CHFFA") Series 2002 Bonds with an average interest rate of 5% to take advantage of the current market's historic low level of tax-exempt interest rates. The expected net present value savings is approximately $3.4 million over the remaining life of the existing Bonds.

Refunding CHFFA's 2002 Bonds* *$34,954,717

PVE intends to use the bond proceeds to refund CHFFA's 2002 Bonds. The current outstanding balance of the 2002 Bonds is approximately $35 million and they mature on June 1, 2026. The proceeds from the 2002 Bonds were used to finance and refinance the acquisition, construction and equipping of a continuing care retirement community located generally at and in the vicinity of 4500 Paradise Valley Drive, 2600 Estates Drive, and 2800 Estates Drive, Fairfield, California 94533.

Debt Service Reserve Fund* *3,440,399

Cal-Mortgage Insurance Fees* *480,325

Financing Costs* *642,100

Cost of Issuance..	$321,050
Underwriter's Discount	321,050

Total Uses of Funds.. **$39,517,541**

II. PROPOSED COVENANTS, SECURITY PROVISIONS AND DISCLOSURES:

Cal-Mortgage Insurance.

The Authority's approval of the issuance of the Bonds will be subject to the requirement that the Bonds are insured by the Office of Statewide Health Planning and Development ("Cal-Mortgage"). As the insurer for the Bonds, Cal-Mortgage will take the responsibility for negotiating the covenants with the Borrower that it decides are necessary for this transaction. These covenants will be incorporated into an Amended and Restated Regulatory Agreement (the "Regulatory Agreement") which the Authority will be a party to. However, Cal-Mortgage is granted the power to amend, modify or terminate certain terms of the Regulatory Agreement (including the covenants) without the Authority's consent.

The following covenants are applicable to this transaction:

Because of the role of Cal-Mortgage as the insurer of the Bonds, the covenants described below (other than the unconditional promise to pay) may be subject to change and further negotiation after the Authority's Board takes action on the Resolution relating to the Bonds. The Authority will defer to Cal-Mortgage's decision with respect to any such changes.

Unconditional Promise to Pay. PVE agrees to pay to Wells Fargo Bank, National Association, as trustee for the Bonds (the "Trustee"), all amounts required for payment of the principal, interest and reserve account deposits with respect to the Bonds and agrees to pay the additional payments and expenses specified in the loan agreement (the "Loan Agreement") to be entered into between PVE and the Authority relating to the Bonds. All Revenues, as such term is defined in the indenture (the "Indenture"), pursuant to which the Bonds will be issued (which will include payments by PVE under the Loan Agreement) and amounts held in the funds and accounts under the Indenture (excluding the Rebate Fund) will be pledged to secure the full payment of the Bonds.

Deed of Trust. The obligations of PVE under the Loan Agreement will be secured by a deed of trust (the "Deed of Trust"). The Authority should note that the lien of the Deed of Trust can be released with the consent of Cal-Mortgage but without the consent of the Authority or the bondholders.

Pledge of Gross Revenues.

Pursuant to the Loan Agreement, PVE pledges to deposit all of its Gross Revenues (as such term is defined in the Indenture) into a Gross Revenue Fund (as such term is defined in the Indenture). If PVE fails to make a payment required by the Loan Agreement, the Trustee will exercise control over the Gross Revenue Fund for the benefit of the bondholders and Cal-Mortgage.

Limitation on Liens; Permitted Encumbrances. PVE agrees not to create, assume or suffer to exist any lien upon its property other than allowable encumbrances it may incur pursuant to the Regulatory Agreement.

Debt Service Reserve. The Bonds shall be secured by a bond reserve account that will be funded at the time of issuance of the Bonds in such amount equal to the maximum annual debt service on the Bonds (or, as defined in the Indenture, the Maximum Annual Bond Service). The bond reserve account will be available to make principal and interest payments if PVE fails to make timely payments pursuant to the Loan Agreement.

Debt Service Coverage Requirement. Pursuant to the Regulatory Agreement, PVE will be required to annually measure, and maintain a debt service coverage ratio of 1.25 times maximum aggregate annual debt service. A debt service coverage ratio measures the ability to make interest and principal payments as they become due by assessing the amount of revenue available to meet debt service payments. This ratio can be based either on annual debt service for the next 12 months or maximum annual debt over the life of the bonds.

Cash or Liquidity Requirements. PVE agrees to annually measure, and maintain at least 45 Days Cash on Hand. "Days Cash on Hand," which is defined in the Regulatory Agreement, is a measure of the cash and cash equivalent assets.

Current Ratio Requirement. PVE agrees to annually measure, and maintain a current ratio (a ratio of current assets to current liabilities) of at least 1.50:1.0.

Limitations on Additional Indebtedness. PVE agrees not to incur additional indebtedness unless authorized by the provisions set forth in the Loan Agreement, which provisions reference the provisions of the Regulatory Agreement.

Limitations on Disposition of Property and Cash. PVE agrees not to sell, lease, sublease, assign, transfer, encumber or otherwise dispose of any of its facilities or dispose of any cash or cash equivalents unless authorized by the provisions set forth in the Loan Agreement, which provisions reference the provisions of the Regulatory Agreement.

Limitations on Acquisition of Property, Plant and Equipment. PVE agrees not to acquire additional property, plant and equipment unless authorized by the provisions set forth in the Loan Agreement, which provisions reference the provisions of the Regulatory Agreement.

Comply with SEC Rule 15c2-12. PVE will take such action as is necessary to assist the underwriter to comply with Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"). The rule prohibits underwriters from underwriting municipal bond deals unless the issuer or borrower contractually agrees to disclose designated financial and operating information to the market place during the life of the bonds and to report designated "material events" which include, but are not limited to, missed debt service payments, any change in bond ratings, defeasance, or redemptions. PVE will contractually agree to disclose designated financial and operating information to the designated website (EMMA) during the life of the Bonds and to report designated "material events" as specified in Rule 15c2-12.

Staff and Public Financial Management ("PFM"), Inc., the Authority's financial advisor have reviewed the entirety of this financing package and find it to be acceptable.

III. FINANCIAL STATEMENTS AND ANALYSIS:

Paradise Valley Estates
Statements of Activities
(Unrestricted)

	As of December 31,		
	2011	**2010**	**2009**
Change in unrestricted net assets:			
Revenues			
Resident services	$ 14,435,808	$ 14,537,663	$ 14,867,406
Health services	4,959,461	4,587,993	4,481,454
Amortization of entrance fee	6,851,244	7,162,551	6,503,349
Investment income	1,633,618	3,272,420	5,217,974
Charitable remainder trust contributions	20,202	18,621	44,292
Other income	136,731	13,125	24,323
Net assets released - restricted purpose net	62,983	57,883	109,886
Total unrestricted revenues	28,100,047	29,650,256	31,248,684
Expenses			
Resident services	3,190,645	3,155,428	3,116,151
Maintenance	1,119,334	1,204,792	1,483,936
Utilities	1,722,423	1,717,016	1,728,485
Dining services	4,095,662	4,095,048	4,239,649
Health services	6,149,408	6,041,704	6,124,418
General and administrative	3,510,573	3,396,837	3,191,718
Depreciation	2,811,391	2,638,686	2,767,430
Amortization	181,052	188,682	580,255
Interest	2,551,886	2,639,623	2,719,726
Other expenses	85,369	67,539	177,198
Total expenses	25,417,743	25,145,355	26,128,966
Change in unrestricted net assets	**2,682,304**	**4,504,901**	**5,119,718**
Change in temporarily restricted net assets			
Temporarily restricted contributions	23,759	50,705	30,830
Net assets released - restricted purpose net	(62,983)	(57,883)	(109,886)
Change in temporarily restricted net assets	(39,224)	(7,178)	(79,056)
Change in total net assets	2,643,080	4,497,723	5,040,662
Net assets, beginning of year	5,823,386	1,325,663	(3,714,999)
Net assets, end of year	8,466,466	5,823,386	1,325,663

*Net Patient Service Revenues

Payors Source	Percent
Non-Resident Private Pay	9
Resident Private Pay	75
Medicare	16
Total	100

Paradise Valley Estates
Balance Sheet

	As of December 31,		
	2011	**2010**	**2009**
ASSETS			
Cash and cash equivalents	$ 3,912,800	$ 1,536,513	$ 1,032,805
Accounts and notes receivable	1,331,393	2,656,419	4,266,275
Assets whose use is limited	10,868,908	11,845,240	11,266,110
Investments	24,749,504	25,642,542	24,559,402
Prepaid expenses	188,671	260,834	456,394
Inventory	113,662	88,294	61,507
Deposits	28,354	28,354	27,100
Property and equipment, net	67,073,389	66,597,677	67,012,182
Intangible assets, net	30,954	36,498	42,042
Deferred Financing costs, net	1,428,258	1,603,766	1,786,905
Total assets	$ 109,725,893	$110,296,137	$ 110,510,722
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable and accrued expenses	$ 822,712	$ 562,964	$ 733,899
Accrued personnel expenses	453,143	378,066	395,283
Accrued compensated annual leve	225,701	193,194	191,102
Accrued interest	1,024,073	1,067,255	1,101,814
Other accrued liabilities	556,625	648,102	996,221
Revenue bonds	48,503,152	50,521,478	52,535,999
Charitable gift annuities	228,556	252,822	290,323
Refundable entrance fees	5,882,549	5,288,622	4,957,031
Unearned entrance fees	43,562,916	45,560,248	47,983,387
Total liabilities	101,259,427	104,472,751	109,185,059
Net assets			
Unrestricted			
Undesignated net assets	6,461,065	2,921,328	(889,354)
Board designated net assets	1,945,890	2,803,323	2,109,104
Total unrestricted net assets	8,406,955	5,724,651	1,219,750
Temporarily restricted	59,511	98,735	105,913
Total net assets	8,466,466	5,823,386	1,325,663
Total liabilities and net assets	$ 109,725,893	$110,296,137	$ 110,510,722

Financial Ratios:

	Proforma [(a)] FYE December 31, 2011	2011	2010	2009
Debt Service Coverage - Operating (x)	1.91	1.8	2.1	2.4
Debt to Unrestricted Net Assets (x)	4.70	5.8	8.8	43.0
Margin (%)		9.5	15.2	16.4
Current Ratio (x)		5.9	7.7	6.8

[(a)] Recalculates FY 2011 audited results to include the impact of this proposed financing.

Financial Discussion - Statement of Activities (Income Statement)

PVE appears to exhibit strong operating results over the review period.

PVE's operating margin is a healthy 9.5% in FY 2011, exhibiting continuous strong operating margins from 15.2% in FY 2010 and 16.4% in FY 2009. PVE's total revenues decreased from approximately $31.2 million in FY 2009 to $28.1 million in FY 2011, a decrease of approximately 10%, while expenses decreased by approximately 3% over the review period. PVE attributes the decrease in total revenues to reduced occupancy levels.

Particular Facts to Note:

- During the review period, investment income decreased significantly from approximately $5.2 million in FY 2009 to approximately $1.6 million in FY 2011. PVE attributes the decrease to large fluctuations in the US stock market. PVE states they will continue to monitor the stock market but will not drastically change its investment strategy.

- PVE's total expenses decreased from approximately $26.1 million in FY 2009 to approximately $25.4 million in FY 2011. PVE states the decrease in total expenses resulted from reduced occupancy and increased operating efficiency.

Financial Discussion - Statement of Financial Position (Balance Sheet)

PVE appears to have a solid financial position with a proforma debt service coverage ratio of 1.91x.

PVE's balance sheet has grown with a significant increase in total unrestricted net assets from approximately $1.3 million in FY 2009 approximately to $8.4 million in FY 2011. PVE attributes the growth to the amortization of entrance fees and improved investment performance.

Once the refunding is complete, PVE's long term debt will consist of the Series 2013 CHFFA Bonds and the Series 2005 CHFFA Bonds. With this proposed bond financing, the proforma operating debt service coverage ratio appears to be a solid 1.91x, indicating PVE's ability to likely manage the debt.

Particular Facts to Note:

- According to PVE's management, cash and cash equivalents increased slightly over the review period from approximately $1.03 million in FY 2009 to $3.9 million in FY 2011, primarily due to improved operating efficiency and the increasing occupancy level in the area of assisted living.

- PVE's accounts and notes receivable decreased from approximately $4.2 million in FY 2009 to $1.3 million in FY 2011, a decrease of approximately 68%. PVE attributes the decrease in accounts and notes receivable to decreased occupancy resulting from overall market conditions.

- PVE’s cash position appears solid with approximately $3.9 million in cash and cash equivalents and approximately $24.7 million in investments as of December 31, 2011, resulting in 414 days cash on hand.

- PVE states they are unsure of how the new California healthcare law implementation will impact operations since they rely mostly on private pay.

(INTENTIONALLY LEFT BLANK)

IV. DUE DILIGENCE:

Due diligence has been completed with regard to the following items:

- **Section 15438.5(a) of the Act (Savings Pass Through):** PVE properly completed and submitted the "Pass-Through Savings Certification" in addition to a narrative explaining how it intends to pass along savings**.**

- **Section 15491.1 of the Act (Community Service Requirement):** PVE properly completed and submitted this certification and indicated that Medi-Cal and Medicare patients are accepted.

- **Compliance with Seismic Regulations:** OSHPD seismic evaluation regulations do not apply to PVE facilities.

- **Compliance with Section 15455(b) of the Act (California Environmental Quality Act):** PVE properly submitted relevant documentation addressing CEQA.

- **Religious Affiliation Due Diligence.** PVE properly completed and submitted relevant documentation to meet the religious due diligence requirement.

- **Legal Review.** PVE properly completed and submitted relevant documentation for the Authority's Legal Questionnaire.

- **Iran Contracting Act Certificate:** PVE properly submitted the certificate to the Authority.

(INTENTIONALLY LEFT BLANK)

EXHIBIT 1

FINANCING TEAM

Paradise Valley Estates

Trustee:	Wells Fargo Bank N.A.
Management Company:	Haskell Senior Living Solutions
Issuer's Counsel:	Office of the Attorney General
Issuer's Financial Advisor:	Public Financial Management, Inc.
Issuer's Financial Analyst:	Macias Gini & O'Connell, LLP
Bond Counsel:	Orrick, Herrington & Sutcliffe
Borrower's Counsel:	Hanson Bridgett LLP
Borrower's Financial Advisor:	Ford & Associates, Inc.
Underwriters:	Bank of America Merrill Lynch
Underwriter's Counsel:	Sidley Austin Brown & Wood LLP
Auditor:	Hansen, Hunter & Company
Rating Agency:	Standard & Poor's Ratings Services
Bond Insurance:	Office of Statewide Health Planning and Development (Cal-Mortgage)

(INTENTIONALLY LEFT BLANK)

EXHIBIT 2

UTILIZATION STATISTICS

Paradise Valley Estates

The following table sets forth the average percentage of occupancy during the period for the residential living units, the assisted living units and the skilled nursing beds for PVE.

UTILIZATION
Fiscal Year Ended December 31,

Fiscal Year Ended December 31	Residential Living	Assisted Living	Skilled Nursing
2009	92%	87%	88%
2010	86%	83%	91%
2011	84%	87%	92%

(INTENTIONALLY LEFT BLANK)

EXHIBIT 3

OUTSTANDING DEBT

Paradise Valley Estates

Date Issued	Original Amount	Amount Outstanding [a] As of December 31, 2011	Estimated Amount Outstanding after Proposed Financing
-EXISTING LONG-TERM DEBT:			
CHFFA, Bond Series 2002	$ 49,755,000	$ 36,360,000	$ -
CHFFA, Bond Series 2005	16,125,000	14,250,000	14,250,000
- PROPOSED NEW DEBT:			
CHFFA, Bond Series 2013	37,000,000		**37,000,000**
- TOTAL DEBT		**$ 50,610,000**	**$ 51,250,000**

(a) Includes current portion of long-term debt.

(INTENTIONALLY LEFT BLANK)

EXHIBIT 4

BACKGROUND, GOVERNANCE AND LICENSURE

Background

Northern California Retired Officers Community dba Paradise Valley Estates was incorporated as a California nonprofit public benefit corporation in 1992 to provide retired uniformed services officers, their spouses, widows and widowers with housing facilities and care services specifically designed to meet their physical, social, recreational and psychological needs. PVE is a continuing care retirement community located in Fairfield, California. The mission of PVE is to provide the highest quality of retirement living to elderly persons by promoting services, amenities, and health care that nurtures independence, promotes wellness and preserves dignity.

Corporate Governance

PVE is currently governed by a 10-member Board of Directors, which live throughout Northern California and serve without compensation. Pursuant to PVE's bylaws, the Board must consist of an odd number of not less than 5 and not more than 15 members. Each member holds office for a three-year term and/or until a successor is elected, and none may be a resident of PVE.

Licensure, Certification and Accreditation

PVE is licensed by the State of California Department of Social Services as a residential care facility for the elderly. The skilled nursing facility is licensed by the California Department of Health Services. PVE is a member of the American Association of Homes and Services for the Aging and a member of the California Association of Homes and Services for the Aging. Skilled and custodial nursing services are provided under the Medicare agreements.

RESOLUTION NO. 387

RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF INSURED REFUNDING REVENUE BONDS RELATED TO THE REFINANCING OF PROJECTS AT THE HEALTH FACILITIES OF NORTHERN CALIFORNIA RETIRED OFFICERS COMMUNITY dba PARADISE VALLEY ESTATES

WHEREAS, the California Health Facilities Financing Authority (the "Authority"), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Health Facilities Financing Authority Act (the "Act") to issue revenue bonds and loan proceeds thereof to any participating health institution to finance the construction, expansion, remodeling, renovation, furnishing, equipping and acquisition of health facilities (including by reimbursing expenditures made for such purposes), to refinance indebtedness of a participating health institution in connection therewith and to refund any outstanding bonds or any outstanding series or issue of bonds of the Authority;

WHEREAS, Northern California Retired Officers Community dba Paradise Valley Estates is a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Borrower"), which owns and operates health care facilities in the State of California; and

WHEREAS, the Authority has previously issued its Insured Revenue Bonds (NCROC – Paradise Valley Estates Project), Series 2002 (the "Prior Bonds"), in the aggregate principal amount of $49,755,000 of which $34,520,000 currently is outstanding, and loaned the proceeds thereof to the Borrower to finance and refinance indebtedness incurred thereby in connection with the acquisition, construction, improvement, furnishing and equipping of a health facility, as more particularly described under the caption "Prior Project" in Exhibit A hereto (the "Prior Project"); and

WHEREAS, the Borrower has requested that the Authority issue one or more series of its revenue bonds in an aggregate principal amount not to exceed $37,000,000, and make one or more loans of the proceeds thereof to the Borrower to (i) refund all or any portion of the outstanding Prior Bonds, (ii) pay costs of issuance of the Bonds (as defined below), and (iii) at the sole option of the Borrower, provide a bond reserve fund for the Bonds;

WHEREAS, to the extent required by subdivision (b) of Section 15455 of the Government Code, the Borrower had provided documentation to the Authority demonstrating, to the extent applicable, that the Prior Project had complied with Division 13 (commencing with Section 21000) of the Public Resources Code or is not a "project" under such division; and

WHEREAS, approval of the terms of issuance and sale of such revenue bonds and various related matters is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Health Facilities Financing Authority, as follows:

SECTION 1. Pursuant to the Act, revenue bonds of the Authority designated as the "California Health Facilities Financing Authority Insured Refunding Revenue Bonds (NCROC – Paradise Valley Estates Project), Series 2013" (the "Bonds"), in an aggregate principal amount not to exceed $37,000,000, are hereby authorized to be issued from time to time, in one or more series, with such other name or names of the Bonds or series thereof as designated in the indenture pursuant to which the Bonds will be issued. The proceeds of the Bonds shall be used for any or all of the purposes set forth in the fourth recital above.

SECTION 2. The Treasurer of the State of California (the "Treasurer") is hereby authorized to enter into agreements to sell the Bonds in one or more series, on one or more sale dates at any time prior to the first anniversary of the date of this Resolution, at public or private sales, in such aggregate principal amounts (not to exceed the aggregate principal amount set forth in Section 1) and in such series, at such prices (so long the discount on the Bonds sold shall not exceed 6 percent of the par value thereof) and at such interest rate or rates and upon such other terms and conditions as the Treasurer, with the advice and consent of the Borrower, may determine. The Bonds shall, at issuance, be rated at investment grade by an active nationally recognized rating agency. The Bonds or any series of them may, at the sole option of the Borrower, be secured by deeds of trust, a reserve fund, bond insurance, credit facility and other security arrangements and/or supported by one or more liquidity facilities.

SECTION 3. The following documents:

(i) a Loan Agreement relating to the Bonds (the "Loan Agreement"), between the Authority and the Borrower,

(ii) a Bond Indenture relating to the Bonds (the "Bond Indenture"), between the Authority and Wells Fargo Bank, National Association, as bond trustee (the "Trustee"),

(iii) a Bond Purchase Contract, including the exhibits thereto, relating to the Bonds (the "Purchase Contract"), among Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as underwriter (the "Underwriter"), the Treasurer and the Authority, and approved by the Borrower, and

(iv) a Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"),

are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein (including, without limitation, insertions, deletions or changes therein appropriate to reflect provisions relating to a deed of trust, a bond reserve fund, bond insurance, any other credit and/or liquidity facility and/or another security arrangement, at the sole option of the Borrower, for any series of Bonds) as the officer executing the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Loan Agreement, the Bond Indenture and the Purchase Contract and by delivery thereof in the case of the Preliminary Official Statement. The Executive Director shall seek the advice of bond counsel and counsel to the Authority with respect to any such insertions, deletions or changes therein.

SECTION 4. The Authority hereby specifically finds and declares that the findings of the Authority set forth in the Loan Agreement are true and correct.

SECTION 5. The dated dates, maturity dates (not exceeding 40 years from the respective date of issue), interest rates, interest payment dates, denominations, forms, registration privileges or requirements, place or places of payment, terms of tender or purchase, terms of redemption, provisions governing transfer and other terms of the Bonds, including provisions for a credit facility and/or a liquidity facility from time to time, shall be as provided in the Bond Indenture, as finally executed.

SECTION 6. The Underwriter is hereby authorized to distribute a Preliminary Official Statement for the Bonds to persons who may be interested in the purchase of such Bonds offered in such issuance, it being understood that, at the discretion of the Underwriter (in consultation with the Borrower), a preliminary official statement may not be used with respect to any series of Bonds. The Underwriter is hereby directed to deliver the final official statement (the "Official Statement") to all actual purchasers of such Bonds.

SECTION 7. The Bonds, when executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's Certificate of Authentication appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to or upon direction of the Underwriter thereof in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Said instructions shall provide for the delivery of the Bonds to or upon direction of the Underwriter, as determined and confirmed by the Treasurer, upon payment of the purchase price thereof.

SECTION 8. Each officer of the Authority is hereby authorized and directed, for and in the name of and on behalf of the Authority, to do any and all things which they may deem necessary or advisable in order to consummate the issuance, sale, and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution and the Bond Indenture, Loan Agreement, Bond Purchase Contract and Official Statement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes, including without limitation: (a) a tax certificate and agreement and other certifications; and (b) any agreement or commitment letter with respect to the provisions of bond insurance, a letter of credit, a surety bond, a credit facility and/or a liquidity facility for the Bonds.

SECTION 9. The provisions of the Authority's Resolution No. 2013-02 apply to the documents and actions approved in this Resolution.

SECTION 10. The Authority hereby approves and ratifies each and every action taken by its officers, agents and employees prior to the date hereof in furtherance of the purposes of this Resolution.

SECTION 11. This Resolution shall take effect from and after the date of adoption.

Date of Adoption: ________________________________

EXHIBIT A

Prior Project:

Proceeds of the Prior Bonds were used to finance and refinance the acquisition, construction, improvement, furnishing and equipping of a continuing care retirement community, including a health center, owned and operated by the Borrower.