

**CHFFA HELP II LOAN PROGRAM  
EXECUTIVE SUMMARY**

<b>Applicant:</b>	Mendocino Coast Health Care District (“MCHCD”) 700 River Drive Fort Bragg, CA 95437 Mendocino County	<b>Amount Requested-Renovation:</b>	\$1,500,000
		<b>Loan Term:</b>	10-year fixed
		<b>Authority Meeting Date:</b>	April 26, 2018
		<b>Resolution Number:</b>	HII-313
<b>Project Site:</b>	700 River Drive, Fort Bragg, CA 95437		
<b>Facility Type:</b>	Acute Care Hospital / District Hospital		
<b>Eligibility:</b>	Government Code Section 15432(d)(1)		
<b>Prior HELP II Borrower:</b>	No		

**Background:** MCHCD is a 25-bed acute care hospital that opened its doors in 1971. MCHCD provides 24-hour emergency care, inpatient and outpatient services, and healthcare education to prevent, manage and treat chronic and acute conditions. MCHCD also provides comprehensive primary care with access to a lab, diagnostic imaging, and physical therapy services. MCHCD delivers healthcare services to the residents of Mendocino County (the “County”), which stretches across approximately 70 miles and has a population of approximately 88,000. In FY 2017, MCHCD served approximately 13,800 patients and had approximately 58,000 patient visits.

**Uses of Loan Proceeds:** Loan proceeds will be used to finance the renovation of three separate projects mandated by Office of Statewide Health Planning and Development (“OSHPD”) to meet facility compliance. The mandated projects include the replacement of the automatic transfer switch (“ATS”), replacement of two existing roof-mounted heating, ventilation, and air condition handling unit (“HVAC”) and a remodel of the current central sterile department (“CSD”).

- Financing Structure:**
- 10-year, two percent (2%) fixed rate loan
  - 120 equal monthly payments of approximately \$13,802 (annual payments of approximately \$165,624)
  - Interception of Mendocino County property tax revenues in the event of default (annual payments of \$165,624 in agreement with Mendocino County)
  - Consent from Cal Mortgage Insurance to incur additional indebtedness prior to closing
  - Verification of Borrower’s funds to close prior to closing
  - Executed construction contract for renovations

**Financial Overview:** MCHCD’s income statement appears to exhibit fluctuating operating revenues over the review period of FY 2015 to FY 2017. MCHCD’s balance sheet appears stable with a proforma debt service coverage ratio of 0.67x.

<u>Estimated Sources of Funds:</u>		<u>Estimated Uses of Funds:</u>	
HELP II Loan	\$ 1,500,000	Renovations	\$ 1,981,250
Borrower Funds	500,000	Financing Costs	18,750
<b>Total Estimated Sources</b>	<u>\$ 2,000,000</u>	<b>Total Estimated Uses</b>	<u>\$ 2,000,000</u>

**Due Diligence:** Staff has received and reviewed the Eligibility, Legal Review, Religious Due Diligence, Seismic, and Community Service Obligation. All documentation satisfies the Authority’s requirements.

**Parties of Interest:** Cal-Mortgage Insurance; Fort Bragg Electrical

**Staff Recommendation:** Staff recommends approval of Resolution Number HII-313 for Mendocino Coast Health Care District in an amount not to exceed \$1,500,000 for a term not to exceed 10 years, contingent upon financing terms acceptable to the Authority and contingent upon Cal Mortgage Insurance’s consent to incur additional indebtedness. Macias Gini & O’Connell LLP, the Authority’s financial analyst, concurs with the Authority’s staff recommendation.

**I. ISSUE:**

CHFFA has historically maintained a first or second lien position on HELP II Loans as a security measure in the event of a default. However, in the case of District Hospitals, holding a lien position is not the most effective security in the event of a default. District Hospitals are considered public land and cannot be foreclosed upon to liquidate assets for loan repayments. As such, in lieu of requiring a lien position, CHFFA staff and MCHCD have agreed to a tax intercept as an alternative security feature on the HELP II Loan. In the event of default, CHFFA will intercept the property tax revenues the County would provide to MCHCD for operations. MCHCD received tax revenues of \$720,122 in FY 2015, \$771,392 in FY 2016, and \$805,563 in FY 2017. In the event of default, CHFFA would intercept \$165,624, an amount equal to the annual loan payment.

**II. PURPOSE OF FINANCING:**

MCHCD filed for Chapter 9 bankruptcy in FY 2013 and received final court approval on its exit plan in FY 2015. During the fiscal years leading up to FY 2013, MCHCD was experiencing difficulty in maintaining operations and repayment of maturing debt obligations. The bankruptcy allowed certain debt to be restructured, reduced, discharged or rendered unenforceable.

As part of the Chapter 9 bankruptcy exit plan in FY 2013, MCHCD has been conservative in their approach to incurring additional debt and has chosen to defer its large amount of maintenance work on its facility to stay in line with its expenses. Due to the postponed repairs and maintenance, MCHCD’s facility has fell out of compliance with OSHPD and the California Department of Public Health (“CDPH”); starting in calendar year 2013 with the CSD<sup>1</sup>, then in 2014 with the HVAC units, and finally in 2015 with the ATS<sup>2</sup>. MCHCD has deemed these projects to be vital and is requesting HELP II loan funds to finance the costs associated with these renovations. MCHCD anticipates the renovations will lead to its growing patient volumes will continue to receive health care services in a safe and efficient environment.

**Renovations..... \$1,981,250**

MCHCD is requesting a HELP II loan to finance the purchase and installation of new HVAC units and the ATS and the renovation of the CSD. The HVAC units and the CSD are out compliance with OSHPD and CDPH, due to the unit’s current supply of inappropriate levels of temperature, humidity and air pressure. The HVAC units were specifically built for the facility and it is not repairable. MCHCDs’ previous AST unit failed in 2015 and they’re currently operating with the use of a temporary ATS unit that has been in place since early 2015. The temporary unit is located outside of the facility and was approved by OSHPD as a temporary fix. These

<sup>1</sup> The Central Sterile Department (CSD) is used to clean, disinfect, sterilize, and stores items during surgical procedures. The area is required to have higher air-pressure than the surrounding spaces in order to ensure that outside air does not flow into the clean areas without passing through multiple levels of filtration

<sup>2</sup> An Automatic Transfer Switch (ATS) is often installed where a backup generator is located, so that it automatically transfers a power supply from its primary source to a backup source when it senses a failure or outage in the primary source.

renovations are mandated by OSHPD to meet compliance and is crucial to the operations of the hospital surgery department as well as the overall operation of the facility. The approximate cost of the mandated renovation is \$1.9 million.

MCHCD’s decision to collectively complete all three renovations projects should save on construction costs and minimize disruption of daily hospital operations. MCHCD’s board has awarded both the construction bids for the ATS and HVAC projects. MCHCD anticipates construction will begin June of 2018 and completed by July 2019. Prevailing wages will be paid and will be included as conditional language in the construction contracts.

The HELP II loan will be secured by an agreement between the County, MCHCD, and the Authority to intercept the County property tax revenues that MCHCD receives in the event of default. The annual tax intercept will be in the amount of the annual HELP II Loan payments of \$165,624. Cal-Mortgage is in full support of MCHCD’s HELP II loan request and will consent to MCHCD to incur additional indebtedness prior to closing.

<b>Financing Costs</b> .....		<b><u>18,750</u></b>
Authority Fees .....	\$18,750	
<b>Total Uses of Funds</b> .....		<b><u>\$2,000,000</u></b>

### III. FINANCIAL STATEMENTS AND ANALYSIS:

**Mendocino Coast Health Care District**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**(Income Statement)**

	<b>As of June 30,</b>		
	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Operating revenues</b>			
Net patient service revenue	\$ 51,866,507	\$ 52,426,560	\$ 46,415,770
Medicare electronic health records incentive	-	594,082	-
Other revenue	673,437	701,400	1,239,481
Total operating revenues	<u>52,539,944</u>	<u>53,722,042</u>	<u>47,655,251</u>
<b>Operating expenses</b>			
Salaries & wages	18,570,332	17,385,021	17,032,880
Employee benefits	6,601,881	7,148,814	6,994,678
Professional fees	6,053,567	6,920,688	7,512,962
Registry	6,099,644	3,490,381	2,473,334
Purchased services	1,332,363	1,280,664	1,597,297
Supplies	9,224,428	8,222,292	7,750,258
Depreciation	1,456,629	2,451,836	2,511,842
Repairs & maintenance	911,450	1,134,240	1,025,549
Utilities	796,126	895,689	864,691
Leases and rentals	541,807	594,937	632,405
Insurance	505,474	486,516	594,097
Other	1,537,651	1,595,393	2,026,125
Total operating expenses	<u>53,631,352</u>	<u>51,606,471</u>	<u>51,016,118</u>
Operating gains (loss)	<u>(1,091,408)</u>	<u>2,115,571</u>	<u>(3,360,867)</u>
<b>Nonoperating revenues (expenses)</b>			
Taxation for operations	805,563	771,392	720,122
Taxation for debt service	332,592	456,891	396,089
Interest expense	(736,975)	(888,393)	(812,756)
Bond issuance costs	(593,450)	-	-
Loss on disposal of capital assets	-	(12,207)	2,683
Total nonoperating revenues(expenses)	<u>(192,270)</u>	<u>327,683</u>	<u>306,138</u>
Excess of revenues (expenses) before capital	(1,283,678)	2,443,254	(3,054,729)
Capital contributions	<u>559,331</u>	<u>340,300</u>	<u>298,305</u>
Excess of revenues(expenses) before gain	(724,347)	2,783,554	(2,756,424)
Gain on extinguishment of debt	-	573,744	947,789
Change in net position	<u>(724,367)</u>	<u>3,357,298</u>	<u>(1,808,635)</u>
Net position, beginning of year	<u>9,527,664</u>	<u>6,170,366</u>	<u>7,979,001</u>
Net position, end of year	<u>\$ 8,803,297</u>	<u>\$ 9,527,664</u>	<u>\$ 6,170,366</u>

For fiscal year end June 30,

Payor Source	% Patient Service Revenue		Patient Days			
	2016	2015	2016		2015	
			Total	%	Total	%
Medicare	61	63	2223	69	2049	63
Medi-Cal	16	16	568	17	753	23
Other Third Party Payers	23	21	424	14	446	14
<b>Total</b>	<b>100</b>	<b>100</b>	<b>3215</b>	<b>100</b>	<b>3248</b>	<b>100</b>

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**Mendocino Coast Health Care District**  
**Statement of Net Position**  
**(Balance Sheet)**

	As of June 30,		
	2017	2016	2015
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 2,691,381	\$ 2,679,733	\$ 1,370,370
Cash and cash equivalents restricted or limited use	524,155	804,031	837,082
Receivables:(Patient accounts net)	6,603,536	5,425,781	3,515,481
Third-party payor settlements	727,380	815,873	945,541
Supplemental Medicaid funding	-	-	1,270,032
California Department of Health & Humans Services	1,732,027	1,839,813	-
Medicare electronic health records	-	604,956	10,874
Other	555,975	114,962	123,569
Taxes	65,424	60,639	58,117
Inventories	833,535	800,371	783,107
Prepaid expenses	529,555	616,306	706,453
Total current assets	<u>14,262,968</u>	<u>13,762,465</u>	<u>9,620,626</u>
Noncurrent assets			
Investments limited use local agency investment	4,226,086	3,998,601	3,984,172
Cash & cash equivalents restricted or limited use	407,350	976,884	976,515
Capital assests, net	15,207,782	15,388,339	17,568,736
Total noncurrent assets	<u>19,841,218</u>	<u>20,363,824</u>	<u>22,529,423</u>
Deferred outflows of resources			
Bond refunding	568,750	-	-
<b>Total assets and deferred outflow of resources</b>	<u>\$ 34,672,936</u>	<u>\$ 34,126,289</u>	<u>\$ 32,150,049</u>
<b>Liabilities and net position</b>			
Current liabilities:			
Accounts payable	\$ 4,472,609	\$ 3,569,419	\$ 3,696,194
Accrued compensation and related liabilities	2,890,935	3,031,950	2,909,993
Estimated third-party payor settlements	3,107,493	2,024,936	1,787,115
Accrued interest	1,193,974	1,327,592	1,343,407
Current maturities of long-term debt	1,319,235	1,294,110	1,447,868
Total current liabilities	<u>12,984,246</u>	<u>11,248,007</u>	<u>11,184,577</u>
Noncurrent liabilities			
Long-term debt, net of current maturities	12,885,393	13,350,618	14,795,106
Total liabilities	<u>25,869,639</u>	<u>24,598,625</u>	<u>25,979,683</u>
Net position			
Net investment in capital assets	2,734,858	2,623,300	3,646,793
Unrestricted	6,068,439	6,904,364	2,523,573
Total net position	<u>8,803,297</u>	<u>9,527,664</u>	<u>6,170,366</u>
Total liabilities and net position	<u>\$ 34,672,936</u>	<u>\$ 34,126,289</u>	<u>\$ 32,150,049</u>

	<b>Proforma</b>			
	<b>FYE June 30, 2017</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Debt Service Coverage - Operating (x)	0.17	0.18	1.96	(0.37)
Debt Service Coverage - Net Income (x)	0.67	0.72	2.87	0.66
Debt to Unrestricted Net Assets (x)	1.78	1.61	1.54	2.63
Margin (%)		(2.08)	3.94	(7.05)
Current Ratio (x)		1.10	1.22	0.86

**Financial Discussion –Statement of Revenues, Expenses and Changes in Net Position (Income Statement)**

**MCHCD’s income statement appears to exhibit fluctuating operating revenues over the review period.**

Over the review period, MCHCD’s operating revenues increased nearly 10%, from \$47.6 million in FY 2015 to \$52.5 million to FY 2017. The increase in revenues is due to the growing patient volumes and Medicare and Medi-Cal reimbursements received. The bankruptcy allowed certain debt to be restructured, reduced, discharged or rendered unenforceable. As news about MCHCD’s bankruptcy became known, patients left the hospital to seek a more stable health care provider. Since then, MCHCD has been able to financially reorganize with the hire of a new Chief Executive Officer and Chief Financial Officer. Patients have begun returning as news of MCHCD exiting bankruptcy has spread. As a result, MCHCD has experienced increased patient revenue. FY 2017 reflected patient service revenue as \$51.8 million, an 11% increase from FY 2015.

While the income statement exhibited growth in operating revenues, it also reflected increases in operating expenses, resulting in losses in operating income in certain FYs. MCHCD’s operational income improved from approximately a (-\$3.4 million) in FY 2015 to approximately \$2.1 million in FY 2016, then further decreasing to a (-\$1.1 million) in FY 2017. MCHCD’s change in net position has also fluctuated from approximately negative \$1.8 million in FY 2015 to approximately \$3.4 million in FY 2016, and decreased to approximately \$724,000 in FY 2017. According to MCHCD’s management, the fluctuation of operational income and change in net position was due to an increase of patient volumes in FY 2016 and a onetime bond issuance cost of approximately \$593,000 in FY 2017. MCHCD experienced a commensurate increase in expenses to meet the growing patient demands. Operational expenses increased from approximately \$51 million in FY 2015 to approximately \$53.6 million in FY 2017, with the largest expenses being staff, registry, professional fees, and supplies.

**Particular Facts to Note:**

- MCHCD’s salaries and wages increased approximately 9% from approximately \$17.0 million in FY 2015 to approximately \$18.5 million in FY 2017. According to MCHCD’s management, salaries and wages increased with the hiring of new a full-time Chief Executive Officer in FY 2015 and a Chief Financial Officer in FY 2016. In addition, in 2017, MCHCD increased salaries by 5% for hard-to-recruit positions like nurses, clinical lab scientists, and imaging technicians. Also, in FY 2017, MCHCD paid a 5% bonus for all other positions, totaling approximately \$563,000.
- Registry expenses increased approximately 75% during the review period. In FY 2015, registry expenses were approximately \$2.5 million and increased to approximately \$6 million in FY 2017. According to MCHCD’s management, registry hours increased by approximately 25,350 hours from FY 2015 to FY 2017 as a result of recruiting difficulties for registered nurses, imaging technicians and physical therapists.
- Supplies expenses increased 12%, increasing from \$7.7 million in FY 2015 to approximately \$9.2 million in FY 2017. According to MCHCD’s management, supplies expenses increased primarily due to the increased cost of prescription drugs and usage in oncology.

**Financial Discussion –Statement of Net Position (Balance Sheet)**

**MCHCD appears to exhibit a stable balance sheet with a proforma debt service coverage ratio of 0.67x.**

MCHCD appears to exhibit improving total current assets, growing from approximately \$9.6 million in FY 2015 to approximately \$13.8 million in FY 2016, and approximately \$14.2 million in FY 2017. Total Net position has increased from approximately \$6.1 million in FY 2015, to approximately \$9.5 million in FY 2016, and decreased to \$8.8 million in FY 2017.

In the beginning of FY 2017, MCHCD issued new Insured Health Facility Refunding Revenue Bonds Series 2016 (the “2016 Bonds”) to refund outstanding Insured Health Facility Revenue Bonds Series 1996, 2009, and 2010. According to MCHCD’s management, the 2016 Bonds should save MCHCD approximately \$1.3 million over the life of the bonds.

MCHCD’s debt service coverage ratio in FY 2017 is 0.72x. With the addition of the HELP II loan, the proforma debt service coverage ratio dips slightly to 0.67x. Although MCHCD proforma debt service coverage is below 1.1x, CHFFA staff believes the tax intercept agreement is an adequate source of security to collect loan repayments in the event of default.

**Particular Facts to Note:**

- Cash and cash equivalents increased by 96% from approximately \$1.4 million in FY 2015 to approximately \$2.7 million in FY 2017. According to MCHCD’s management, in FY 2015 MCHCD made a cash payment of \$800,000 to satisfy the first of the creditors of the bankruptcy, decreasing the amount of cash in that FY.
- Patient accounts net receivables increased 88% from approximately \$3.5 million in FY 2015 to approximately \$6.6 million in FY 2017. According to MCHCD’s management, its formula for calculating contractual allowances and bad debts associated to accounts receivables were outdated so in FY 2016 MCHCD updated its formula to correctly account for current reimbursements and adjustments, which continued throughout FY 2017. During this period, MCHCD also experienced a significant increase in patient volume, which led to an increase in reimbursements.
- Estimated third-party payor settlement increased 74% in FY 2015 from approximately \$1.8 million to \$3.1 million in FY 2017, representing repayment of funds to Medicare and Medi-Cal. According to MCHCD’s management, Medicare and Medi-Cal billing practices changed in FY 2016. It was discovered that MCHCD’s practice of crossover billing to its clinic for Medi-Cal and Medicare services caused overpayments, which are considered a liability. In FY 2016, MCHCD brought in a consultant to perform three years of reconciliations for the clinic to determine the correct liability due to the previous billing issue.



**EXHIBIT 1**

**UTILIZATION STATISTICS**

**Mendocino Coast Health Care District**

**UTILIZATION STATISTICS**

**Clients Served / (Patient Visits)**

**for Fiscal Year Ending June 30,**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Totals</b>	13,804/ (58,224)	13,804 / (56,173)	13,731/ (55,762)

**EXHIBIT 2**  
**OUTSTANDING DEBT**

<u>Date Issued</u>	<u>Original Amount</u>	<u>Amount Outstanding As of June 30, 2017<sup>a</sup></u>	<u>Estimated Amount Outstanding after Proposed Financing</u>
<b><i>-EXISTING LONG-TERM DEBT:</i></b>			
General Obligation Bonds Series 2016	\$ 4,125,000	\$ 4,125,000	\$ 4,125,000
General Obligation Capital Appreciation Bonds Series 2000	884,638	507,741	507,741
Insured Health Facility Revenue Bonds Series 2009	5,000,000	470,000	470,000
Insured Health Facility Revenue Bonds Series 2016	5,745,000	5,440,000	5,440,000
United Healthcare note 2014	2,100,000	1,470,000	1,470,000
Centers for Medi-Cal and Medicaide Services note 2015	210,000	55,483	55,483
OSHPD Cal Mortgage 2013	1,005,806	880,805	880,805
Bankruptcy payables 2015	604,248	424,094	424,094
<b><i>PROPOSED NEW DEBT</i></b>			
<b><i>CHFFA HELP II Loan (2018)</i></b>		-	<b>1,500,000</b>
<b><i>TOTAL DEBT</i></b>		<b>\$ 13,373,123</b>	<b>\$ 14,873,123</b>

<sup>a</sup> Includes current portion

## **EXHIBIT 3**

### **BACKGROUND AND LICENSURE**

#### **Background**

MCHCD opened its doors in 1971, following a victorious grassroots effort to pass a hospital district initiative on the January 1967 ballot. MCHCD is a 25-bed acute care hospital which provides 24-hour emergency care, inpatient and outpatient services, and healthcare education to prevent, manage, and treat chronic and acute conditions. MCHCD's rural health clinic, a department of MCHCD, provides comprehensive primary care with access to a lab, diagnostic imaging, and physical therapy services. In 2010, MCHCD's new diagnostic imaging center houses the latest technology in X-rays, CT scans, and MRIs. MCHCD's mission is to make a positive difference in the health of its rural community. MCHCD is committed to providing the most sophisticated care possible while operating in a rural environment.

MCHCD provides healthcare services to the residents of the County, which stretches across 70 miles. OSHPD considers MCHCD a rural hospital, since the County's population density is less than 250 persons per square mile, with no population center exceeding 50,000.. In FY 2017, MCHCD served approximately 13,800 patients annually and had approximately 58,000 patient visits.

#### **Licensure**

MCHCD is licensed by the State of California Department of Public Health to operate and maintain a general acute care hospital.

# CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

## The HELP II Loan Program

### Resolution Number HII-313

#### RESOLUTION APPROVING EXECUTION AND DELIVERY OF HELP II LOAN PROGRAM AGREEMENTS WITH CERTAIN PARTICIPATING HEALTH INSTITUTIONS

WHEREAS, the California Health Facilities Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the provisions of the California Health Facilities Financing Authority Act (the “Act”) to provide secured or unsecured loans to participating health institutions to refinance existing debt and finance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, or equipping of a health facility;

WHEREAS, the Authority established the HELP II Loan Program (the “Program”) to provide loans to participating health institutions as authorized by the Act;

WHEREAS, **Mendocino Coast Health Care District** (the “Borrower”), a California nonprofit corporation and participating health institution, has applied to the Authority for a loan through the Program, and the application has been reviewed by the staff of the Authority; and

WHEREAS, approval of the loan by the Authority is now sought;

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

Section 1. Pursuant to the Act, the Authority approves a loan to the Borrower in an amount not to exceed **\$1,500,000** for a term not to exceed **10 years** for the purpose of renovations as described in the application filed with the Authority (the “Project”), but solely to the extent there are available proceeds of the Program, as determined pursuant and subject to Section 2 hereof. This approval is further contingent upon the following conditions:

1. 10-year, two percent (2%) fixed rate loan;
2. Interception of Mendocino County property tax revenues in event of default (annual payments of \$165,624 and in agreement with Mendocino County);
3. Consent from Cal Mortgage Insurance to incur additional indebtedness prior to closing;
4. Verification of Borrower’s funds prior to closing; and
5. Executed construction contract.

Section 2. The Executive Director is hereby authorized, for and on behalf of the Authority, to determine the final amount, terms and conditions of the loan, and to approve any changes in the Project described in the application submitted to the Authority, as said officer shall deem appropriate and authorized under the Act (provided that the amount of the loan may not be increased above the amount approved by the Authority and provided further that the loan continues to meet the Authority's guidelines for HELP II loans). Nothing in this resolution shall be construed to require the Authority to obtain any additional funding, even if more loans are approved than there is available funding. Any notice to the Borrower shall indicate that the Authority shall not be liable to the Borrower in any manner whatsoever should such funding not be completed for any reason whatsoever.

Section 3. The Executive Director is hereby authorized and directed, for and on behalf of the Authority, to draw money from the Program fund not to exceed those amounts approved by the Authority for the Borrower. The Executive Director is further authorized and directed, for and on behalf of the Authority, to execute and deliver to the Borrower any and all documents necessary to complete the transfer of funds.

Section 4. The Executive Director of the Authority is hereby authorized and directed to do any and all things and to execute and deliver any and all documents which the Executive Director deems necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby, and which have heretofore been approved as to form by the Authority.

Section 5. This resolution expires 6 months from the date of approval.

Date of Approval: \_\_\_\_\_