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## **SUNWEST VILLAS & SUNNYSLOPE APARTMENTS SUMMARY AND RECOMMENDATIONS**

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Applicant: Highland Property Development LLC

Action: Initial Resolution

Amount: \$9,000,000

Purpose: Finance Affordable Multi-Family Rental Housing Facility  
Located in the City of Yucca Valley, unincorporated San Bernardino County, California

Activity: Affordable Housing

Meeting: September 17, 2010

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### Background:

With a vision to transform affordable rental units into homes, founding principles Bill Rice and Kristoffer Kaufmann established Highland Property Development in 2003. The firm's inauguration converged with the acquisition and redevelopment of its first two communities: Willow Oaks and Oroville Apartments. Since this initial transaction, Highland Property Development has continued to grow and strengthen its staffing in the areas of due diligence and asset management.

Highland Property Development LLC, with structuring assistance from Highland Property Advisors, has completed the acquisition and rehabilitation of 20 "at-risk" USDA Section 515 properties comprising 1,045 housing units for families and seniors. The properties will continue their affordability for at least another 55 years. This is our second transaction with Highland Properties. This is our second transaction with Highland Properties.

### The Project:

The Sunwest Villas & Sunnyslope Apartments will be an acquisition rehabilitation project. The two apartment complexes are located adjacently to each other and will be combined into one complex. This project is located in the unincorporated City of Yucca Valley in an area that

desperately needs affordable housing. The project contains a total of 83 units of affordable rental housing on an approximately 4-acre site. The project includes a mix of one, two and three bedroom units for families earning below 50-60% of AMI. Site amenities will include gated access, recreational areas, community room, barbecues, tot-lot, and covered parking.

The County of San Bernardino:

The County of San Bernardino is a member of the CMFA and will need to hold a TEFRA hearing. Upon closing is expected to receive approximately \$5,625 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds	<u>Construction</u>
Tax-Exempt Bond Proceeds:	\$ 6,300,000
USDA-538 Loan:	\$ 1,213,052
Equity:	<u>\$ 1,357,938</u>
Total Sources:	\$ 8,870,990

Uses of Funds:

Land Acquisition:	\$ 501,600
Building Acquisition:	\$ 4,513,400
Rehabilitation:	\$ 3,241,000
Architectural & Engineering:	\$ 75,000
Legal & Professional:	\$ 227,699
Developer Fee:	\$ 180,000
COI:	<u>\$ 132,300</u>
Total Uses:	\$ 8,870,990

Terms of Transaction:

Amount:	\$9,000,000 (Not to Exceed)
Rate:	TBD
Maturity:	30 years
Collateral:	Deed of Trust on property.
Bond Purchasers:	Private Placement.
Estimated Closing:	March 2011

Public Benefit:

Eighty-Three families will be able to enjoy high quality affordable housing in the unincorporated City of Yucca Valley. Services at the complex will include on-site parking, laundry facilities, air conditioning, picnic areas and children's play areas and after school programs.

Percent of Restricted Rental Units in the Project: 100%  
88% (72 Units) restricted to 60% or less of area median income households, and  
12% (9 Units) restricted to 50% or less of area median income households,

Unit Mix: 1, 2 and 3 bedrooms  
Term of Restriction: 55 years

Finance Team:

Underwriter:	Citibank
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Lender Counsel:	TBD
Borrower Counsel:	TBD
Issuer Counsel:	Squire, Sanders & Dempsey LLP

Recommendation:

It is recommended that the CMFA Board of Directors approve an Initial Resolution of \$9,000,000 for the Sunwest Villas and Sunnyslope affordable housing project located in the unincorporated City of Yucca Valley, San Bernardino County, California.

Note: This transaction is subject to review and final approval at the Final Resolution.



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## **ORANGE GARDENS APARTMENTS SUMMARY AND RECOMMENDATIONS**

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Applicant:	Affirmed Housing Group
Action:	Initial Resolution
Amount:	\$8,500,000
Purpose:	Finance Affordable Multi-Family Rental Housing Facility Located in the City of Poway, San Diego County, California
Activity:	Affordable Housing
Meeting:	September 17, 2010

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### Background:

The Affirmed Housing Group is a Southern-California based Affordable Housing Developer specializing in tax-credit and tax-exempt bond financed multi-family and single family developments. Areas of expertise include site selection, engineering, architecture, construction, relocation, and marketing. They also have extensive knowledge in public finance, low-income housing tax credit acquisition and tax- exempt bond financing. Through collaboration with civic leaders and private-sector financial partners, Affirmed Housing Group is dedicated to improving and sustaining the viability of California communities through the development of well designed and professionally managed affordable housing

James Silverwood, President and CEO of Affirmed Housing Group has over 24 years of experience in the development and construction industry, and has extensive experience as general partner in partnerships with over \$500 Million of real estate development activity in the past 13 years.

Current development activities include new construction, as well as acquisition and substantial rehabilitation of family and senior apartment complexes throughout California and the mid-Atlantic U.S.

The Project:

The Orange Garden Apartments is an Acquisition/Rehabilitation multi-family housing development located in the City of Poway, California. The project will contain a total of 52 units of affordable rental housing on an approximately 4.54-acre site. The project will include a mix of one, two, and three bedroom units for families earning between 40% and 60% of AMI. Buildings will be two-story, wood & stucco-frame construction. Site amenities will include gated access, recreational areas, community room, barbecues, tot-lot, and covered parking.

The City of Poway:

The City of Poway is a member of the CMFA and will need to hold a TEFRA hearing. Upon closing is expected to receive approximately \$5,312 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds	<u>Permanent</u>
Tax-Exempt Bond Proceeds:	\$ 6,500,000
City RDA:	\$ 2,000,000
Deferred Fee:	<u>\$ 500,000</u>
Total Sources:	\$ 9,000,000

Uses of Funds:	
Acquisition/Rehabilitation Costs:	\$ 6,000,000
Architectural & Engineering:	\$ 400,000
Legal & Professional:	\$ 200,000
Developer Fee:	\$ 1,400,000
Other Soft Costs:	\$ 600,000
Contingency/ COI:	<u>\$ 400,000</u>
Total Uses:	\$ 9,000,000

Terms of Transaction:

Amount:	\$9,000,000
Rate:	TBD
Maturity:	30 years
Collateral:	Deed of Trust on property.
Bond Purchasers:	Private Placement.
Estimated Closing:	March 2011

Public Benefit:

Fifty-two families will now be able to enjoy high quality affordable housing in the City of Poway. Services at the complex will include on-site parking, laundry facilities, air conditioning, picnic areas and children's play areas and after school programs.

Percent of Restricted Rental Units in the Project: 100%  
19% (10 Units) restricted to 40% or less of area median income households; and  
39% (20 Units) restricted to 50% or less of area median income households; and  
42% (22 Units) restricted to 60% or less of area median income households;  
Unit Mix: 1, 2 and 3 bedrooms  
Term of Restriction: 55 years

Finance Team:

Underwriter:	TBD
Bond Counsel:	Quint & Thimmig
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Lender Counsel:	TBD
Borrower Counsel:	TBD

Recommendation:

It is recommended that the CMFA Board of Directors approve an Initial Resolution of \$8,500,000 for the Orange Garden Apartments affordable housing project located in the City of Poway, San Diego County, California.

Note: This transaction is subject to review and final approval at the Final Resolution.



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## ALEXANDER CROSSINGS APARTMENTS SUMMARY AND RECOMMENDATIONS

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Applicant: St. Anton Partners

Action: Initial Resolution

Amount: \$18,000,000 (Not to Exceed)

Purpose: Finance Affordable Multi-Family Rental Housing Facility  
Located in the City of Napa, Napa County, California

Activity: Affordable Housing

Meeting: September 17, 2010

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Background:

St. Anton Partners is one of the most active affordable housing developers in the Country. Ranked 8th nationwide by Affordable Housing Finance Magazine for affordable housing production in 2009, St. Anton Partners develops new apartment communities as well as renovates existing communities. Formed in 1995 by Peter Geremia and Steven Eggert, St. Anton Partners has built or renovated over 30 apartment communities totaling over 5,000 units located in the greater Sacramento region and in the Bay Area.

They are a fully integrated development company, general contractor, and property management firm. The St. Anton owners and senior staff are directly involved in every aspect of project development and long-term property management. St. Anton Partners leads a team of specialists including architects, engineers, superintendents, sub-contractors, financial providers, marketing analysts, and property management agents through all phases of development. They are committed to building and maintaining high quality communities. They have developed and perfected a variety of housing types including garden style apartments ranging from 20 to 30 units to the acre to more urban projects that have densities of 50 to 100 units per acre. Their projects are designed with high quality specifications and feature large unit sizes, nine foot ceiling heights, washer and dryer hookups, centrally located clubhouse with leasing offices, business center, resident meeting rooms, and common laundry facility.

St. Anton Partners has the financial capacity to use its own capital to pay pre-development costs, and in some cases purchase land to hold for development. They have considerable expertise in tax-exempt bond financing and with the low income housing tax credit programs. These programs were the principal funding sources in the majority of the 35 projects built or renovated by St. Anton Partners and currently owned by affiliates of St. Anton Partners. They also have extensive experience with local redevelopment agency financing (Low-Mod Housing Set-Aside and Housing Trust Fund programs), the State HOME Loan program, and CalHFA HELP loan program.

St. Anton Partners has developed apartment communities in 14 jurisdictions located in the greater Sacramento region, East Bay Area and North Bay Area. They are focused on and respond to the needs of local communities. With the new demands on local governments to develop within urban growth boundaries, St. Anton Partners is able to create quality housing that fulfills these demands and local housing goals.

The Project:

The Alexander Crossings Apartments is a new construction multi-family housing development located in the City of Napa, California. The project will contain a total of 152 units of affordable rental housing apartments. The project will include a mix of one-, two-, and three-bedroom units for families earning between 50% and 60% of AMI. The site amenities will include gated access, recreational areas, community room, computer labs, a swimming pool, barbecues, tot-lot, and covered parking. There will also be after school programs, financial management and home work clubs provided at no charge.

The City of Napa:

The City of Napa is a member of the CMFA and will hold a TEFRA hearing on November 2nd. Upon closing is expected to receive approximately \$11,250 as part of CMFA’s sharing of Issuance Fees.

Proposed Financing:

Sources of Funds	<u>Construction</u>
Tax-Exempt Bond:	\$18,000,000
Loan Financing:	\$ 7,000,000
Deferred Developer Fee:	\$ 1,080,000
GP Equity:	<u>\$ 8,596,000</u>
Total Sources:	\$34,676,000

Uses of Funds:

Land Acquisition:	\$ 5,000,000
New Construction:	\$21,607,000
Architectural & Engineering:	\$ 383,000
Legal & Professional:	\$ 125,000
Interest Reserves:	\$ 1,380,000



Development Impact Fees:	\$ 3,681,000
Developer's Fee & Overhead:	<u>\$ 2,500,000</u>
Total Uses:	\$34,676,000

Terms of Transaction:

Amount:	\$18,000,000 (Not to Exceed)
Rate:	TBD
Maturity:	30 years
Collateral:	Deed of Trust on property.
Bond Purchasers:	Private Placement.
Estimated Closing:	January 2011

Public Benefit:

One hundred and fifty two families will now be able to enjoy high quality affordable housing in the City of Napa. Services at the complex will include gated access, recreational areas, community room, computer labs, a swimming pool, barbecues, tot-lot, and covered parking. There will also be after school programs, financial management and home work clubs provided at no charge.

Percent of Restricted Rental Units in the Project: 100%  
 21% (45 Units) restricted to 50% or less of area median income households; and  
 79% (107 Units) restricted to 60% or less of area median income households; and  
 Unit Mix: 2 and 3 bedrooms  
 Term of Restriction: 55 years

Finance Team:

Underwriter:	TBD
Bond Counsel:	Orrick, Herrington & Sutcliffe
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Lender Counsel:	TBD
Borrower Counsel:	Cox, Castle & Nicholson

Recommendation:

It is recommended that the CMFA Board of Directors approve an Initial Resolution of \$18,000,000 for the Alexander Crossings Apartments affordable housing project located in the City of Napa, Napa County, California.

Note: This transaction is subject to review and final approval at the Final Resolution.



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## WESTSIDE REGIONAL CENTER SUMMARY AND RECOMMENDATIONS

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**Applicant:** Coastal Properties Foundation

**Action:** Final Resolution

**Amount:** \$25,000,000

**Purpose:** Finance and Refinance the Acquisition, Rehabilitation, Equipping and or Renovation of Certain Improvements for Use Primarily as Office Facilities to be owned by the Coastal Properties Foundation Located in the City of El Segundo, County Of Los Angeles, CA.

**Activity:** Social Services to Individuals with Disabilities

**Meeting:** September 17, 2010

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Background:

Regional Centers (of which there are 21 throughout the state) are nonprofit Private Corporation that contract with the California Department of Developmental Services to provide or coordinate services and supports of individuals with developmental disabilities. They provide a local resource to help find and access the many services available to developmentally disabled individuals and their families.

Regional Centers provide diagnosis and assessment of eligibility and help plan, access, coordinate and monitor the services and supports that are needed because of a developmental disability. There is no charge for the diagnosis and eligibility assessment. Once eligibility is determined, a case manager or service coordinator is assigned to help develop a plan for services that help you know whether services are available, and help you get the services. Most services and supports are free regardless of age or income.

Some of the services and supports provided by the regional centers include:

- Information and referral;
- Assessment and diagnosis;

- Counseling;
- Lifelong individualized planning and service coordination;
- Purchase of necessary services included in the individual program plan;
- Resource development;
- Outreach;
- Assistance in finding and using community and other resources;
- Advocacy for the protection of legal, civil and service rights;
- Early intervention services for at risk infants and their families;
- Genetic counseling;
- Family support;
- Planning, placement, and monitoring for 24-hour out-of-home care;
- Training and educational opportunities for individuals and families; and
- Community education about developmental disabilities.

The Westside Regional Center covers the Santa Monica and Inglewood Health Districts. Any person residing within WRC's service area who is believed to have, or be at risk of having, a developmental disability may receive an assessment. Individuals of all ages, regardless of income, who are diagnosed as having a developmental disability, are eligible to receive service coordination services. Children, birth to three years of age, who are found to be at-risk of becoming developmentally disabled, are eligible for Early Start.

#### The Project:

The proposed bond financing will fund: (i) the acquisition of, and certain improvements to, an office building; (ii) a debt service reserve fund; (iii) capitalized interest and (iv) costs of issuance.

**Office Buildings.** Approximately \$18 million of the net proceeds from the bond issue will be used for the acquisition and improvement costs for an office building that Westside Regional Center ("WRC") will lease as its headquarters facility in El Segundo. The building has 84,789 rentable square feet. The building will be acquired by Coastal Properties Foundation, a 501(c)(3) corporation that is affiliated with WRC. The Foundation will be the borrower for the bond issue.

WRC will enter into a 30+-year lease with the Foundation for all of the space in the building. The lease payments will be a minimum of 125% of required debt service and will be the primary source of repayment for the bonds.

#### City of El Segundo:

The City of El Segundo is a member of the CMFA and held a TEFRA hearing on September 7<sup>th</sup>. The City of El Segundo is expected to receive approximately \$11,666 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	<u>\$22,000,000</u>
Total Sources:	\$22,000,000

Uses of Funds:

Building Acquisition Costs:	\$18,000,000
Debt Service Reserve:	\$ 1,700,000
Capitalized Interest:	\$ 1,860,000
Costs of Issuance:	<u>\$ 440,000</u>
Total Uses:	\$22,000,000

Terms of Transaction:

Amount:	\$25,000,000
Rate:	Fixed Rate
Collateral:	Deed of Trust on property.
Ratings:	Baa2 (anticipated) Moody's
Maturity:	2040
Bond Purchasers:	Institutional & Retail
Estimated Closing:	October, 2010

Public Benefit:

There are a currently 252 employees at the center, with the Regional Center offering the following services:

- Information and referral
- Assessment and diagnosis
- Counseling
- Lifelong individualized planning and service coordination
- Resources Development
- Outreach
- Advocacy
- Early intervention series for at risk infants and their families
- Genetic Counseling
- Family Support
- Community Education about developmental disabilities

Finance Team:

Underwriter:	Wedbush Securities
Underwriter Counsel:	Hawkins, Delafield & Wood LLP
Bond Counsel:	Fulbright & Jaworski LLP

Issuer Counsel: Squire, Sanders & Dempsey LLP  
Financial Advisor: HanSar Capital, Inc.  
Borrower Counsel: Sheppard Mullin Richter & Hampton LLC

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution in the amount of \$25,000,000 of tax-exempt private activity bonds to finance and refinance the acquisition, construction, equipping and/or renovation of certain facilities located in the City of El Segundo, County of Los Angeles, California.



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## SERRA CATHOLIC SCHOOL SUMMARY AND RECOMMENDATIONS

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Applicant:	The Roman Catholic Bishop of Orange
Action:	Final Resolution
Amount:	\$17,500,000
Purpose:	Refinance Educational Facilities Located in the City of Rancho Santa Margarita, County of Orange, California
Activity:	Private School
Meeting:	September 17, 2010

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### Background:

In 1995 Serra Catholic School (“Serra”) opened its doors with 250 students. The school began as a result of a few dedicated families and founding pastors who believed in the importance of having a high quality, Catholic, elementary education of the children of the city of Rancho Santa Margarita. Today the school serves over 1,000 students from Junior Kindergarten to 8<sup>th</sup> grade. Serra is the largest feeder school to Santa Margarita Catholic High School, sending 90 to 100 students each year.

### The Project:

This is a refunding of the 2009 CMFA bonds. The initial bond proceeds went towards three main components:

- The Middle School Education Building which included a state of the art Language Art, Math & Social Science classrooms. A library and Media Center also was created enabling students to do onsite research where their specific needs can be met.
- The Student Activity Center which accommodates the vast number of sports teams necessary for Serra’s large student body which can easily be transformed into a gathering place for drama and choir performances. The Student Activities Center also provides a gathering place for parent meetings, science fairs and other extracurricular needs.
- The Playing Fields accommodates the many outdoor sports teams including soccer, football, lacrosse and softball to provide a more effective area for daily physical education classes

City of Rancho Santa Margarita:

The City of Rancho Santa Margarita is a member of the CMFA. They will receive approximately \$9,000 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources:	Proceeds from Bond Issuance:	<u>\$ 17,500,000</u>
	Total Sources:	\$ 17,500,000
Uses:	Refunding:	<u>\$ 17,500,000</u>
	Total Uses:	\$ 17,500,000

Terms of Transaction:

Amount:	\$17,500,000
Rate:	Multimodal
Maturity:	2039
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement (Bank Qualified)
Estimated Closing:	October, 2010

Public Benefit:

The refunding will provide an interest rate savings to Serra. The initial project provided improvements to the educational experiences for close to 360 middle school students at Serra Catholic School. The School provides financial assistance to approximately 27 students each year, in the approximate amount of \$45,000. In addition, the school operates a series of community service projects. Serra supports an adoption agency in Mexico, the Leukemia foundation, CHOC walk for children, Catholic Charities, various food banks throughout Orange County. The new facilities are available for public use. The fields can be used for sports and the activity center can be used as a public gathering area. The project created or retained 45 jobs for Middle School teachers, support staff and coaches.

Finance Team:

Bond Purchaser:	U.S. Bank N.A.
Purchaser Counsel:	Sheppard Mullin Richter & Hampton, LLP
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Bond Counsel:	Squire, Sanders & Dempsey LLP
Borrower Counsel:	Law Offices of Maria Rullo Schinderle
Borrower Financial Advisor:	Fieldman, Rolapp & Associates
Trustee:	Wells Fargo Bank, N.A.

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution authorizing the issuance, sale and delivery of up to \$17,500,000 of tax-exempt private activity bonds for the purpose of financing or refinancing the acquisition, construction, improvement and equipping of certain educational facilities for Serra Catholic School located in the City of Rancho Santa Margarita, Orange County, California.





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## SANTA MARGARITA CATHOLIC HIGH SCHOOL SUMMARY AND RECOMMENDATIONS

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Applicant:	The Roman Catholic Bishop of Orange
Action:	Final Resolution
Amount:	\$19,190,000
Purpose:	Refinance Educational Facilities Located In the City Of Rancho Santa Margarita, County Of Orange, California
Activity:	Private School
Meeting:	September 17, 2010

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### Background:

Santa Margarita Catholic High School (“SMCHS”) is a co-ed college preparatory Catholic high school of 1,718 students. Their students attend from throughout South Orange County - a radius of approximately 20 miles, from the Pacific Ocean to the Saddleback Mountains.

### Accreditations/Distinctions/ Faculty:

- SMCHS is fully accredited by the Western Association of Schools and Colleges (WASC) and Western Catholic Education Association (WCEA).
- SMCHS Named Top 50 Catholic High Schools in US in 2004, 2005 & 2006
- 1998 Honored by U.S. Dept. of Education as a Blue Ribbon School
- Certified as an International Baccalaureate Diploma-Granting Institution (IBO)
- Member of the College Board
- National Endowment for the Arts Distinction in the Arts Award
- L.A. Times All Sports Awards and CIF Commissioner's Cup Awards
- Total number of Faculty & Administration - 114
- Degrees: Bachelors - 114; Masters - 54; Doctorates - 5

### The Project:

This is a refunding of the 2009 CMFA bonds. The initial bond proceeds went towards the following main components:

Finance or refinance the costs of (i) construction of a building to house additional classrooms, general meeting and conference rooms, athletic facilities, which include football offices, team

rooms and wrestling practice area and storage; (ii) construction of a classroom facilities which house science laboratories and workspace, a television studio and various auxiliary programs and (iii) construction of a performing arts center, remodel of existing administrative space and construction of additional parking facilities. The Project is located at 22062 Antonio Parkway, Rancho Santa Margarita, California 92688.

City of Rancho Santa Margarita:

The City of Rancho Santa Margarita is a member of the CMFA. They will receive approximately \$9,730 as part of CMFA’s sharing of Issuance Fees.

Proposed Financing:

Sources:	Proceeds from Bond Issuance:	\$ 19,190,000
	Total Sources:	\$ 19,190,000
Uses:	Refunding:	\$ 19,190,000
	Total Uses:	\$ 19,190,000

Terms of Transaction:

Amount:	\$19,190,000
Rate:	Multimodal
Maturity:	2039
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement (Bank Qualified)
Estimated Closing:	October, 2010

Public Benefit:

The refunding will provide an interest rate savings to SMCHS. The concept and practice of community service is extremely important to the overall philosophy of the School by developing the art of recognizing, comprehending and caring for the needs of others, not only those in their own school community but also the larger community, students learn to want more for the world rather than for themselves, alone. Of the many ways in which a high school student experiences the world, perhaps one of the most meaningful is through serving the community. The School has a very comprehensive service program as described below.

- At SMCHS, the School asks every student to acquire these important habits of the heart by doing direct service to the poor and the needy in the community and region or by mentoring others through faith-based retreats or by participating in a teaching ministry.
- SMCHS asks that every student complete 12 to 15 hours of direct service every year. This is done to fulfill part of the basic requirements for both graduation and for their Religion class’s Christian Service Project.
- The 12 to 15 hours of direct service per year is intended to encourage students to develop a relationship. The hope is that the student will continue to serve at the same site throughout his or her career at SMCHS, growing in leadership over the years as their bond with this site deepens.

- Service hours are recorded on the student’s school transcript, and are part of the student’s permanent record. A SMCHS Verification Form must be used to submit these hours. This includes all service hours done beyond the yearly basic requirement.
- SMCHS recognizes and honors students who have done exemplary service to their community both in the amount of time given and in the character of that service. This recognition usually takes place at the Senior Awards ceremony. There are also opportunities at the state and national level for recognition of service.
- Service can be done over the summer in preparation for the upcoming academic year.
- SMCHS provides chaperoned trips to certain sites throughout the academic year. Students who wish to go on these trips are required to attend all preparatory meetings and to submit a completed permission slip at the appointed deadline.
- SMCHS also provides a website that features a comprehensive list of approved service sites in the area.

Finance Team:

Bond Purchaser:	U.S. Bank N.A.
Purchaser Counsel:	Sheppard Mullin Richter & Hampton, LLP
Issuer Counsel:	Squire, Sanders & Dempsey LLP
Bond Counsel:	Squire, Sanders & Dempsey LLP
Borrower Counsel:	Law Offices of Maria Rullo Schinderle
Borrower Financial Advisor:	Fieldman, Rolapp & Associates
Trustee:	Wells Fargo Bank, N.A.

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution authorizing the issuance, sale and delivery of up to \$19,190,000 of tax-exempt private activity bonds for the purpose of financing or refinancing the acquisition, construction, improvement and equipping of certain educational facilities for Santa Margarita Catholic High School located in the City of Rancho Santa Margarita, Orange County, California.



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## CHAMPBELL HALL SCHOOL SUMMARY AND RECOMMENDATIONS

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Applicant: Campbell Hall (Episcopal) School

Action: Final Resolution

Amount: \$30,000,000

Purpose: Finance and Refinance the Acquisition, Construction, Improvement, Renovation and Equipping of Facilities, Located in the City of Los Angeles, Los Angeles County, California.

Activity: Private School

Meeting: August 20, 2010

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Background:

Campbell Hall (Episcopal) was founded in 1944 in North Hollywood, California. The school began with 74 students and has grown to over 1,000 students from kindergarten through twelfth grade. For more than 60 years, the commitment to encourage, inspire and nurture all aspects of child development, from the academic and ethical to the spiritual and emotional, has energized the very heart of the mission at Campbell Hall. Believing balance to be crucial in healthy, productive lives, the school's program provides a vast range of possibilities for creative and intellectual pursuits throughout the campus. The academic program, from primary classes through the most advanced courses at the high school, is structured and challenging. The elementary school provides young learners with a strong foundation in a carefully planned sequence of study. The college preparatory curriculum readies secondary students for the subject mastery and learning processes necessary for advanced study in the traditional disciplines. The school and its faculty endeavor to explore with students the cultures of the world, their art, literature, values, and ideals, and to instill habits of life-long learning.

The Project:

The proceeds of the Bonds will be loaned to Campbell Hall (Episcopal), a nonprofit public benefit corporation as described in section 501(c)(3) of the Internal Revenue Code of 1986 (the "Corporation"), to finance and/or refinance the acquisition, construction, improvement and equipping of capital improvements relating to the Corporation's educational facilities located at

4533 Laurel Canyon Boulevard, Los Angeles, California, which educational facilities are or will be owned and operated by the Corporation. Such educational facilities include, but are not limited to, three two-story connected buildings totaling approximately 111,000 square feet, with classrooms, an art gallery, a faculty resource center and subterranean parking.

The City of Los Angeles:

The City of Los Angeles is a member of the CMFA and held a TEFRA hearing September 15<sup>th</sup>. The City will receive approximately \$13,333 as part of CMFA's sharing of Issuance Fees.

Proposed Financing:

Sources of Funds:

Tax-Exempt Bond Proceeds:	\$ 30,000,000
Total Sources:	\$ 30,000,000

Uses of Funds:

Rehabilitation:	\$ 200,000
New Construction:	\$ 25,500,000
New Machinery & Equipment:	\$ 2,500,000
Architectural & Engineering:	\$ 1,300,000
Legal and Professional:	\$ 500,000
Total Uses:	\$ 30,000,000

Terms of Transaction:

Amount:	\$30,000,000
Rate:	Fixed
Maturity:	2040
Collateral:	Deed of Trust
Bond Purchasers:	Private Placement
Estimated Closing:	October 2010

Public Benefit:

Campbell Hall (Episcopal) embraces the philosophy that the students entrusted to its care are persons of both faith and reason. The faculty and staff encourage each student to quest for knowledge and to fit the educational experience into a pattern of faith for daily living. The school provides a climate where the values of community, self-worth, compassion, respect, service, and responsibility are taught as part of the school's tradition. Campbell Hall is committed to academic excellence and to the nurturing of decent, loving, and responsible human beings.

Finance Team:

Bond Purchaser:	First Republic
Bank Counsel:	Sidley Austin, LLP
Bond Counsel:	Squire, Sanders & Dempsey LLP
Issuer Counsel:	Squire, Sanders & Dempsey LLP

Borrower Counsel: Law Offices of Rossi A. Russell  
Borrower Financial Advisor: Stone & Youngberg LLC  
Trustee: TBD

Recommendation:

It is recommended that the CMFA Board of Directors adopt a Final Resolution authorizing the issuance, sale and delivery of up to \$30,000,000 of tax-exempt bonds to finance or refinance the cost of the acquisition, construction, rehabilitation, installation and equipping of facilities, located in the City of Los Angeles, Los Angeles County, California.