

**Ambac**

## Major Refinancing Consolidates School Authority Debt Obligations

\$79,805,000

**North City West School Facilities Financing Authority**  
Subordinate Special Tax Revenue Bonds

High-quality schools are a key factor in attracting residents to a community, keeping real estate values on the rise and strengthening the fabric of an area. But a school district's success often creates additional growth requiring continued expansion and significant financial support. Such is the case for the North City West School Facilities Financing Authority in San Diego, California, a consortium with three member school districts- Del Mar Union School District, San Dieguito Union High School District and Solana Beach School District. Continued growth in the area necessitated plans to build two new schools and undertake a major expansion at a middle school, and the Authority decided to raise funds in the debt markets for the attendant financing needs. With debt outstanding from a number of previous bond offerings, the Authority decided to use the current special assessment tax bond financing as an opportunity to refund existing debt while raising the new money needed for its expansion projects.

To strengthen the bonds, the Authority sought to include financial guarantee insurance on the deal, issued in three series. Series 2005A raises \$17.7 million in new money; Series 2005B enables refunding of \$31.1 million for bonds issued in 1997, and Series 2006C will be used for forward refunding of \$31 million for bonds issued in 1995. Ambac Assurance, having worked with and insured this issuer's previous offerings, competed for the opportunity to insure the Authority's latest financing. Ambac's familiarity with the strong track record of this credit, combined with the desirability and continuing growth of the area, were factors that led to the approval of this bond issue for financial guarantee insurance. All three series of the aggregate \$79,805,000 subordinate special tax revenue bond issue were successfully sold into the market on July 21, 2005. The series 2005A and 2005B bonds closed in August 2005 and the forward-delivered Series 2006C bonds are anticipated to close in June 2006.

Contact:

Kevin Dolan  
Vice President  
(212) 208-3250  
kdolan@ambac.com

► Financial Peace of Mind.®

This report has been prepared by Ambac Assurance Corporation ("Ambac Assurance"). It is distributed solely to assist issuers and their underwriters and financial advisors in gaining a better understanding of Ambac Assurance's experience as a financial guarantee insurance company. The report was written by personnel of Ambac Assurance based on information available and believed to be accurate and complete as of August 4, 2005, the date on which the obligations described above were issued (the "Issuance Date"), which information was obtained from sources believed to be reliable. However, because of the possibility of human or mechanical error by our sources and the occurrence of subsequent events, Ambac Assurance does not guarantee the accuracy or completeness of this report as of the Issuance Date or its continued accuracy as of any date subsequent thereto. This report is distributed for information purposes only and nothing contained herein should be viewed as investment advice or as constituting a recommendation to buy, hold or sell the obligations described herein. Ambac Assurance has insured the obligations described above and received fees for the issuance of a financial guarantee insurance policy covering such obligations. In addition, Ambac Assurance (or its affiliates) may from time to time provide investment or financial products or other services for, or solicit other business from, or invest in securities of, the issuer of the obligations described in this report. Morgan Stanley and Co., Inc. was the banker on this transaction.

© 2005 Ambac Assurance Corporation, One State Street Plaza, New York, New York 10004  
All Rights Reserved | 800-221-1854 | www.ambac.com



London  
Milan  
New York  
Sydney  
Tokyo