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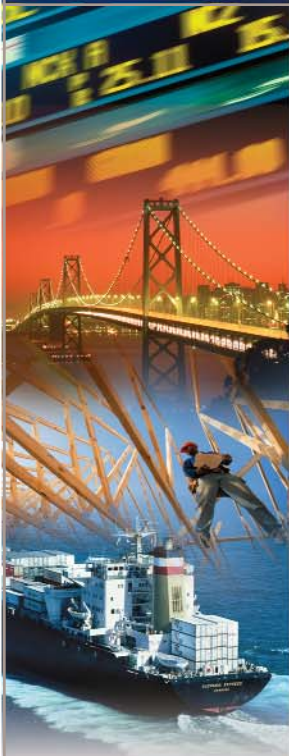
San Diego Financing Secures Funding for Skilled Nursing Facility

\$112,395,000

County of San Diego

2005 Edgemoor Project

& 1996 Regional Communications System Refunding
Certificates of Participation



Structuring financing for public projects with a narrow focus can actually involve as much or more analysis and study than more expansive initiatives. This was the case with a project proposed by San Diego County - the construction of a 102-bed skilled nursing facility to replace an aging and outdated existing campus. Although limited in scope, the project was unusual from a financing standpoint because of the level of construction risk involved. To help speed time to market and facilitate placement of the deal with investors, San Diego County sought a financial guarantee for the deal.

Ambac Assurance proved to be the right monoline partner for San Diego County in this transaction. Ambac's broad health care expertise enabled the credit and underwriting professionals to analyze the situation quickly. In addition, experience with a significant number of projects involving construction risk helped Ambac get comfortable with the Edgemoor deal. Before finalizing the deal, Ambac professionals visited with key county officials and spoke with project participants helping the team complete work on the transaction quickly.

The \$112 million Certificates of Participation issue successfully came to market in February 2005. Proceeds will be used to construct the new skilled nursing facility and refund bonds used to finance a 1996 regional communications system bond issue.

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