

**CHFFA REVENUE BOND FINANCING PROGRAM
EXECUTIVE SUMMARY**

<p>Applicant: The Help Group (“THG”) (New School for Child Development, Summit View School, Project Six, The Help Group Child and Family Center, And The Help Group West) 13130 Burbank Boulevard Sherman Oaks, CA 91401 Los Angeles County</p>	<p>Amount Requested: \$7,500,000 Requested Loan Term: Up to 25 years Authority Meeting Date: March 29, 2012 Resolution Number: 378</p>																								
<p>Project Site: 12095 W. Washington Boulevard, Los Angeles, CA 90066 (Los Angeles County) Facility Type/Eligibility: Nonpublic school that provides educational services in conjunction with a health facility, pursuant to GC 15432(d)(20) Prior Borrower: Yes (date of last bond issuance – March 30, 2000)</p>																									
<p>Background: THG is an affiliation of seven nonprofit corporations established in 1953, (described in more detail in Exhibit 4) which assist children and families with special needs by providing specialized mental health and educational programs in the Los Angeles area. THG schools serve 1,400 students from preschool to high school. THG also provides mental health and therapy services to 6,000 children and their families each year.</p>																									
<p>Use of Proceeds: Bond proceeds will be used toward the remodel of an existing two-story building located on THG’s Culver City campus. The construction will provide classrooms, offices, a computer lab, support facilities and a roof deck playground. The remodeled building will have a capacity of 200 students, with most of the students initially relocating from over-crowded buildings on the same campus.</p>																									
<p>Type of Issue: Negotiated public offering of fixed rate bonds (Minimum \$5,000 denominations) Credit Rating: A- (Standard and Poor’s) based on Cal-Mortgage Credit Enhancement: Cal-Mortgage Insurance (approved on March 7, 2012) Financing Team: <i>Please see Exhibit 2 to identify possible conflicts of interest</i></p>																									
<p>Financial Overview: THG’s income statement appears to demonstrate steady revenues over the last three fiscal years. Additionally, THG appears to exhibit a solid financial position with an operating proforma debt service coverage ratio of 1.68x.</p>																									
<p>Estimated Sources of Fund: Estimated Uses of Funds:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Bond proceeds</td> <td style="width: 33%; text-align: right;">\$7,500,000</td> <td style="width: 33%;">Project fund</td> <td style="width: 33%; text-align: right;">\$6,000,000</td> </tr> <tr> <td>Equity contribution</td> <td style="text-align: right;"><u>377,500</u></td> <td>Debt service reserve fund</td> <td style="text-align: right;">507,087</td> </tr> <tr> <td></td> <td></td> <td>Capitalized interest</td> <td style="text-align: right;">407,100</td> </tr> <tr> <td></td> <td></td> <td>Bond insurance premium</td> <td style="text-align: right;">404,389</td> </tr> <tr> <td></td> <td></td> <td>Financing costs</td> <td style="text-align: right;"><u>558,924</u></td> </tr> <tr> <td>Total Estimated Sources</td> <td style="text-align: right;"><u>\$7,877,500</u></td> <td>Total Estimated Uses</td> <td style="text-align: right;"><u>\$7,877,500</u></td> </tr> </table>		Bond proceeds	\$7,500,000	Project fund	\$6,000,000	Equity contribution	<u>377,500</u>	Debt service reserve fund	507,087			Capitalized interest	407,100			Bond insurance premium	404,389			Financing costs	<u>558,924</u>	Total Estimated Sources	<u>\$7,877,500</u>	Total Estimated Uses	<u>\$7,877,500</u>
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<p>Due Diligence: Staff has received and reviewed the Eligibility, Legal Review, Religious Due Diligence, Savings Pass Through, Seismic, CEQA, and the Iran Contracting Act Certificate. All documentation satisfies the Authority’s requirements.</p>																									
<p>Staff Recommendation: Staff recommends the Authority approve Resolution Number 378 in an amount not to exceed \$7,500,000 subject to. Macias Gini & O’Connell, LLP, the Authority’s financial analyst, and Public Financial Management, Inc., the Authority’s financial advisor, concur with the Authority’s staff recommendation.</p>																									

I. PURPOSE OF FINANCING:

THG plans to expand its campus to relieve over-crowding. The new facility will allow THG to meet the demand of its wide range inter-disciplinary programs and services including special education, mental health services for individuals and families and speech and occupational therapies. It is estimated that over 200 young people between the ages of 3-22 will be directly affected as a result of this project each year.

***Project fund*..... \$6,000,000**

THG plans to use the bond proceeds to remodel two existing facilities. The project is designed to provide for additional facility infrastructure and services for the growing number of children, adolescents and young adults with special needs. The project includes the internal and external renovation and equipping of the 19,566 square foot property located at 12095 W. Washington Blvd., and one of the five buildings at THG’s Culver City campus. The remodeling will result in providing 14 classrooms, 11 therapy and administrative offices, three meeting rooms, one computer lab and one multipurpose room, and will serve up to 200 students. Approximately 150 out of the 200 students will include relocated students from other over-crowded buildings at the Culver City site leaving room for 50 new students.

Additionally, the development plans call for the construction of a 9,250 square foot rooftop playground and the construction of a sound attenuating wall on the Northeast side of the property. THG anticipates beginning the project in May 2012 and plans to be completed in October 2012, in time for the 2012-13 school year.

***Debt service reserve fund*..... 507,087**

***Capitalized interest*..... 407,100**

***Bond insurance premium* 404,389**

***Estimated financing costs* 558,924**

- *Original Issue Discount* \$350,000
- *Cost of Issuance* 119,549
- *Underwriter’s Discount* 89,375

Total Estimated Uses of Funds \$7,877,500

II. PROPOSED COVENANTS, SECURITY PROVISIONS AND DISCLOSURES:

The following covenants are applicable for this transaction:

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 responsibility for negotiating the covenants with the Borrower that it decides are necessary for this transaction. These covenants will be incorporated into the Loan Agreement and a Regulatory Agreement. The Authority is a party to the Regulatory Agreement; however, Cal-Mortgage may amend, modify or terminate the terms of the Regulatory Agreement (including the covenants) without the Authority's consent.*

Because of the role of Cal-Mortgage as insurer, 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.

Unconditional Promise to Pay. *THG agrees to pay the Trustee all amounts required for principal, interest or reserve deposits and other payments and expenses designated in the Loan Agreement.*

Mortgage or Deed of Trust. *THG's obligations under the Loan Agreement will be secured by five Deeds of Trust on certain facilities of each non-profit member of THG. The Authority should note that the lien of the Deeds of Trust can be released with the consent of Cal-Mortgage and without the consent of the Authority.*

Pledge of Gross Revenues. *THG pledges to deposit all of its revenues, income, receipts and money received into a Gross Revenues Fund over which the Trustee has a control deposit account agreement. This Authority's security interest in the pledge of gross revenues will be junior to a lien held by American Business Bank securing a \$3,500,000 line of credit.*

Negative Pledge against Prior Liens. *THG agrees not to create or assume any Lien upon its property other than the Permitted Encumbrances.*

Limited Permitted Encumbrances. *THG is subject to a restrictive set of allowable encumbrances it may incur pursuant to the Loan Agreement.*

Debt Service Reserve. *The Bonds shall be secured by a Debt Service Reserve Fund that will be funded at the time of issuance of the Bonds in an amount equal to maximum annual debt service on the Bonds or such lesser amount as shall be required to comply with applicable federal tax rules. The Debt Service Reserve Fund is available to make principal and interest payments if THG fails to deposit timely loan payments.*

Debt Service Coverage Requirement. *The Loan Agreement and the Regulatory Agreement will contain a debt service coverage requirement based on not less than 1.25 times annual debt service. A debt service coverage requirement is a ratio measuring 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.*

Additional Debt Limitation. *THG agrees not to incur additional Indebtedness unless authorized by the Loan Agreement.*

Disposition of Cash and Property Limitations. *THG agrees not to sell, lease or dispose of any property, plant or equipment or liquid assets unless authorized by the Loan Agreement.*

Comply with SEC Rule 15c2-12. *THG will take such action as is necessary to comply with SEC 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 marketplace during the life of the bonds and to report designated “material events” such as missed debt service payments, any change in bond ratings, defeasance, redemptions, etc.*

Cash Requirements. *Pursuant to the Regulatory Agreement, THG promises to annually measure the balance of their cash and cash equivalent assets and maintain them at a 45 days cash on hand level.*

Current Ratio Requirement. *Pursuant to the Regulatory Agreement, THG promises to annually measure the current ratio and maintain such at 1.50x.*

Staff has reviewed the entirety of this financing package and finds it to be acceptable.

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III. FINANCIAL STATEMENTS AND ANALYSIS:

**The Help Group
Statement of Activities
(unrestricted)**

	As of June 30,		
	2011	2010	2009
Revenue and public support			
Revenue*			
Program fees	\$ 60,005,249	\$ 57,316,882	\$ 58,713,018
Rental income	351,538	344,289	353,158
Interest income and other	499,454	389,395	669,821
Total revenue	<u>60,856,241</u>	<u>58,050,566</u>	<u>59,735,997</u>
Public support			
Special events	577,204	809,434	819,108
Philanthropic support	1,470,844	845,362	1,185,486
Net assets released from donor restrictions	305,976	1,365,389	994,200
Total public support	<u>2,354,024</u>	<u>3,020,185</u>	<u>2,998,794</u>
Total revenue and public support	<u>63,210,265</u>	<u>61,070,751</u>	<u>62,734,791</u>
Expenses			
Program expenses			
School	31,998,090	31,525,535	33,284,551
Mental health	18,349,756	16,240,632	16,908,124
Residential	3,445,197	2,769,946	2,498,849
Total program expenses	<u>53,793,043</u>	<u>50,536,113</u>	<u>52,691,524</u>
Supporting services	4,926,259	4,444,506	4,578,126
Fundraising	167,396	189,911	191,590
Total functional expenses	<u>58,886,698</u>	<u>55,170,530</u>	<u>57,461,240</u>
Loss on disposal of property and equipment	965,399	-	-
Total functional expenses and losses	<u>59,852,097</u>	<u>55,170,530</u>	<u>57,461,240</u>
Changes in net assets	3,358,168	5,900,221	5,273,551
Net assets at beginning of year	<u>37,729,891</u>	<u>31,829,670</u>	<u>26,556,119</u>
Net assets at end of year	<u>\$41,088,059</u>	<u>\$ 37,729,891</u>	<u>\$31,829,670</u>

Net Patient Revenue*	Percent
LAUSD/Other Districts	67.2
DMH	18.3
DCFS	4.5
Grants/Other	<u>10</u>
Total	<u><u>100</u></u>

The Help Group
Statement of Financial Position

	As of June 30,		
	2011	2010	2009
Assets:			
Current assets:			
Cash and cash equivalents	\$ 12,634,456	\$ 10,236,022	\$ 6,288,930
Short-term investments	5,656,208	6,040,324	5,471,868
Accounts receivable, net	12,184,850	10,868,489	11,729,128
Current portion of assets limited as to use	2,262,417	4,422,362	1,418,930
Pledges receivable, net	10,000	219,836	279,337
Inventory	116,056	-	-
Prepays and other current assets	1,180,970	1,140,011	605,428
Total current assets	<u>34,044,957</u>	<u>32,927,044</u>	<u>25,793,621</u>
Assets limited as to use, less current portion	3,436,371	3,472,047	4,594,797
Pledges receivable, less current portion	26,737	-	-
Property and equipment, net	50,969,694	49,881,101	45,822,589
Deferred financing costs, net	1,134,175	1,196,968	687,385
Deposits and other assets	30,436	30,436	30,436
Total assets	<u><u>\$ 89,642,370</u></u>	<u><u>\$ 87,507,596</u></u>	<u><u>\$76,928,828</u></u>
Liabilities and Net Assets:			
Current liabilities:			
Accounts payable and other current liabilities	\$ 3,392,075	\$ 2,837,268	\$ 2,776,869
Accrued payroll and benefits	5,295,317	4,557,189	3,813,237
Current maturities of long-term debt	1,551,010	1,433,369	1,311,545
Deferred revenue	308,839	164,014	119,204
Total current liabilities	<u>10,547,241</u>	<u>8,991,840</u>	<u>8,020,855</u>
Long term debt, less current maturities	<u>37,970,333</u>	<u>40,776,029</u>	<u>36,798,966</u>
Total liabilities	<u>48,517,574</u>	<u>49,767,869</u>	<u>44,819,821</u>
Net assets:			
Unrestricted	39,588,059	36,229,891	30,329,670
Unrestricted - board designated	1,500,000	1,500,000	1,500,000
Temporarily restricted	36,737	9,836	279,337
Total net assets	<u>41,124,796</u>	<u>37,739,727</u>	<u>32,109,007</u>
Total Liabilities and Net Assets	<u><u>\$ 89,642,370</u></u>	<u><u>\$ 87,507,596</u></u>	<u><u>\$76,928,828</u></u>

Financial Ratios:

	Proforma ^(a)			
	FYE June 30, 2011			
Debt service coverage (x) net	1.68	1.92	2.79	2.75
Debt/Unrestricted Net Assets (x)	1.19	1.00	1.17	1.26
Operating Margin (%)	5.31	9.66	9.66	8.41
Current Ratio (x)	3.23	3.23	3.66	3.22

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

Financial Discussion – Statement of Activities (Income Statement)

THG’s income statement appears to exhibit solid operating results over the review period with strong operating margins and relatively consistent revenues.

THG’s total operating margins appear to have had some small fluctuations year over year but the overall net income has remained strong. THG’s change in net assets decreased in FY 2011 almost \$1 million from approximately \$5.2 million in FY 2009 to \$3.3 million in FY 2011 due to the timing of fundraising events. THG postponed a significant fundraising event from its regular schedule of April to September which had the coinciding effect of postponing receipt of revenues until the next fiscal year.

Particular Facts to Note:

- Total revenue and public support remained steady over the review period with minor fluctuations at approximately \$62.7 million, \$61.1 million and \$63.2 million in FY 2009, FY 2010 and FY 2011, respectively.
- According to THG experienced a decrease in philanthropic support in FY 2010 due to a focus on a capital campaign. The capital campaign was for the acquisition and renovation of the building known as the “Autism Center” at the Sherman Oaks site. THG acquired the building next door to the Sherman Oaks property. The project was partially funded by the capital campaign and partially by CDCSA’s \$5.4 million bond issuance. In addition, THG renovated the space into classrooms, an auditorium and other support offices. The project was completed in November of 2010.
- THG did not experience any revenue losses and it did not receive any Cost-Of-Living Adjustments (COLA’s) per agreements with the contracting agencies such as the Los Angeles Unified School District and the Department of Mental Health. THG appears to have prudently managed its revenues and expenditures by keeping total operating expenses in line with total operating revenues.
- THG experienced a decline in special events over the review period and a decline in net assets released from donor restrictions from FY 2010 at approximately \$1.3 million to \$305 thousand in FY 2011. Special events were down approximately 29%, while donor restrictions dropped 69%. According to THG, the decline in special events is related to THG’s postponement of their annual fundraising golf tournament from April to September with the consequent postponement in receipt of revenues to the following fiscal year.
- In FY 2011, THG experienced a loss associated with their disposal of property and equipment. As explained by THG, previously rented parking spaces across the street at Los Angeles Valley College were reclaimed by the college with the college’s expansion and construction of college buildings. To accommodate this loss of parking, THG was forced to demolish some of its old buildings and a parking lot that was not yet fully depreciated in order to construct a much larger parking lot.

Financial Discussion – Statement of Financial Position (Balance Sheet)

THG appears to exhibit a solid financial position with an operating proforma debt service coverage ratio of 1.68x.

THG's balance sheet appears to have continued to grow over the review period. Total net assets increased roughly 15% from approximately \$76.9 million in FY 2009 to \$89.6million in FY 2011. The proforma debt service coverage ratio appears to be a solid 1.68x, indicating that THG can likely manage the proposed additional debt.

Particular Facts to Note:

- THG's cash and cash equivalents appears to have grown over the review period. Cash flow from operations has been positive; however, the rate of growth has fluctuated.
- Accounts receivable remained steady at approximately \$11.7 million, \$10.8 million and \$12.1 million in FY 2009, FY 2010 and FY 2011, respectively. According to THG, program revenues remained balanced resulting in the accounts receivable remaining stable.
- Although it appears there was a decrease in pledges in FY 2011, THG moved its golf tournament fundraising activities shifting the collection of pledges in to the next fiscal year. (Pledges are recognized by the borrower's financial auditor as unconditional promises to give that are expected to be collected in future periods are recorded at net present value.)
- Inventory appeared solely on the FY 2011 audit due to THG's opening of an upscale thrift store (with merchandise donated by the local community) during FY 2011.

IV.DUE DILIGENCE:

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

- **Section 15438.5(a) of the Act (Savings Pass Through):** The Help Group 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):** The Help Group properly completed and submitted this certification and indicated that Medi-Cal and Medicare patients are accepted.
- **Compliance with Seismic Regulations:** The Help Group properly submitted a description of its organization’s progress toward complying with OSHPD seismic evaluation regulations.
- **Compliance with Section 15455(b) of the Act (California Environmental Quality Act):** The Help Group properly submitted documentation to the Authority, where applicable, demonstrating that each proposed project has either complied with Division 13 (commencing with Section 21000) of the Public Resources Code, or is otherwise not a “project” under that division.
- **Iran Contracting Act Certificate:** The Help Group properly submitted the certificate to the Authority.
- **Religious Due Diligence.**
- **Legal Review.**

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EXHIBIT 1
FINANCING TEAM

Trustee & Trustee Counsel: Bank of New York, Mellon Trust
Company, NA

Borrower's and Disclosure Counsel: Jennings, Strouss and Salmon, P.L.C.

Credit Enhancement: Office of Statewide Health Planning and
Development (Cal-Mortgage Loan
Insurance Program)

Rating Agency: Standard & Poor's Rating Services

Issuer's Financial Advisor: Public Financial Management, Inc.

Issuer's Financial Analyst: Macias Gini & O'Connell, LLP

**State Treasurer' Office
Disclosure Counsel:** Orrick, Herrington & Sutcliffe, LLP

Issuer's Counsel: Attorney General's Office

Bond Counsel: Quint & Thimmig, LLP

Underwriter: Wulff, Hansen & Co.

Title Company: Chicago Title Company

**EXHIBIT 2
UTILIZATION STATISTICS**

The following table sets forth selected historical utilization statistics of The Help Group for fiscal years ended June 30 2009, 2010 and 2011 respectively.

	Fiscal Year Ended June 30,		
	2011	2010	2009
<u>Average Attendance</u>			
New School	667	625	581
Help Group West	383	363	369
Summit View	162	151	184
Average Attendance	1,212	1,139	1,134
Average Attendance Days	236,153	227,624	236,153
Attendance Days per Year	195	200	210
<u>Help Group Child and Family Center</u>			
DMH(a) - Day Treatment Days	4,606	5,019	5,045
DMH - Day Rehabilitation Days	6,640	6,739	6,698
DMH - Other Service Hours	63,208	61,659	64,274
DCFS(b) - Wraparound Service Days	31,232	19,372	17,296

(a)Department of Mental Health (DMH)

(b)Department of Children and Family Services (DCFS)

**EXHIBIT 3
OUTSTANDING DEBT**

The Help Group

<u>Date Issued</u>	<u>Original Amount</u>	<u>Amount Outstanding As of June 30, 2011^(a)</u>	<u>Estimated Amount Outstanding after Proposed Financing</u>
<i>-EXISTING LONG-TERM DEBT:</i>			
CHFFA, Series 1998 A	\$12,420,000	\$11,120,000	\$11,120,000
CHFFA, Series 2000 A	12,095,000	13,485,000	13,485,000
CSCDA ^(b) , Series 2009	5,395,000	5,355,000	5,355,000
CRA ^(c) , Note 2011	754,000	749,451	749,451
OSHPD ^(d) , Loan 2001	3,300,000	3,325,957	3,325,957
US Bank, Loan 2009	5,782,500	5,481,036	5,481,036
<i>-PROPOSED NEW DEBT:</i>			
	<i>CHFFA, Series 2012</i>		\$9,570,000
<i>- TOTAL DEBT</i>		<u>\$39,516,444</u>	<u>\$49,086,444</u>

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

^(b) California Statewide Communities Development Authority

^(c) Community Redevelopment Agency

^(d) Office of Statewide Health Planning and Development

EXHIBIT 4 BACKGROUND, GOVERNANCE AND LICENSURE

Background

The Help Group comprises seven affiliated California nonprofit public benefit corporations including two non-participating agencies, Pacific Living and New Opportunity for Living, on five different campuses. THG provides various specialized programs at each location providing numerous different programs and services, including mental health, therapy, counseling, special education and residential programs. The Help Group serves children, adolescents, adults and families with special needs related to autism spectrum disorders, learning disabilities, attention deficit disorder (ADHD), mental retardation, abuse and emotional problems. Programs are provided at one or more of the four major campuses located in Culver City, Sherman Oaks, Valley Glen, and Van Nuys. The individual Help Group non-profit corporations participating in the 2012 Series A Bonds include, The Help Group Child and Family Center, New School for Child Development, Project Six, Summit View School and The Help Group West.

The Help Group began as a small speech and hearing center, incorporated in 1953, known as Children's Speech and Hearing Center (now known as The Help Group Child and Family Center). In 1975, Children's Speech and Hearing Center started a special education day school program as a pilot program. The pilot program was separately incorporated in 1978 as New School for Child Development. In 1980, Children's Speech and Hearing Center developed another pilot program to address the residential treatment needs of disabled youth. This pilot program was separately incorporated as Project Six in 1981. In 1995, Summit View School was established to provide special education day school programs for children and adolescents with learning disabilities. In 1999, The Help Group West was established to acquire, develop and operate the facility on the west side of Los Angeles to provide special education and therapy programs and services to young people with special needs and their families.

Corporate Governance

Each of the Corporations is governed by a Board of Directors (the "Board") consisting of 13 voting members and one non-voting member. The terms of the elected directors are for one year and each Corporation Board consists of the same directors. Directors may serve successive terms. The Board of Directors is responsible for the governance, policy making and oversight of the affairs of each Corporation, and the appointment of the officers of each Corporation and their respective occupations.

Licensure and Memberships

Three of the individual Help Group non-profit corporations participating in the 2012 Series A Bonds are licensed by the California Department of Education to operate non-public schools that serve individuals with physical, mental or developmental disabilities. One of the corporations is certified by the Los Angeles County Department of Mental Health to operate community mental health centers. The remaining corporation has a license by the California Department of Social Services to operate a community care facility (group home) and has licenses from the California Department of Public Health to operate various intermediate care facilities/developmentally disabled rehabilitative facilities.

RESOLUTION NO. 378

**RESOLUTION OF THE
CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
RELATING TO THE ISSUANCE OF BONDS FOR
NEW SCHOOL FOR CHILD DEVELOPMENT, PROJECT SIX, SUMMIT VIEW SCHOOL,
THE HELP GROUP CHILD AND FAMILY CENTER AND THE HELP GROUP WEST**

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 to finance the construction, expansion, remodeling, renovation, furnishing, equipping, and acquisition of health facilities operated by participating health institutions (including by reimbursing expenditures made or refinancing indebtedness incurred for such purpose);

WHEREAS, New School for Child Development, Project Six, Summit View School, The Help Group Child and Family Center and The Help Group West, each a California nonprofit, public benefit corporation (collectively, "The Help Group"), desires to finance the renovation and equipping of an approximately 20,000 square foot building located at 12095 Washington Boulevard, Culver City, California, for use as a special education day school/mental health facility for children, adolescents and young adults with autism and/or other special needs (the "Project");

WHEREAS, The Help Group has requested the financial assistance of the Authority for the issuance of its insured revenue bonds on behalf of The Help Group in a principal amount not to exceed \$7,500,000 to finance the Project, to fund a reserve fund for the bonds and to pay the costs of issuance with respect thereto, and the Authority has determined to issue its bonds for these purposes;

WHEREAS, final approval of the terms of the issuance and sale of such bonds is now sought; and

WHEREAS, to the extent required by subdivision (b) of section 15455 of the California Government Code, The Help Group has provided documentation to the Authority demonstrating that the Project has complied with Division 13 (commencing with section 21000) of the Public Resources Code, or is not a "project" under such division;

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 Revenue Bonds (The Help Group), Series 2012" (the "Bonds"), in an aggregate principal amount not to exceed \$7,500,000, are authorized to be issued, subject to (a) the final approval of bond insurance by the Cal-Mortgage Loan Insurance Division of the Office of Statewide Health Planning and Development of the State of California (the "Office") for The Help Group, (b) receipt of a bond rating at least equal to the rating assigned to the State of California, and (c) minimum denominations of the Bonds of \$5,000. The proceeds of the Bonds shall be used for the purposes set forth in the second WHEREAS clause above.

Section 2. The Treasurer of the State of California (the "Treasurer") is hereby authorized to sell the Bonds at any time within six (6) months of the adoption of this Resolution, at public or negotiated sale, in such aggregate amount and at such price and at such interest rate or rates as the Treasurer, with the consent of The Help Group, may determine, and upon such terms and conditions as the Treasurer, with the consent of The Help Group, may determine.

Section 3. The following documents:

(a) an indenture relating to the Bonds (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the "Trustee");

(b) a loan agreement (the "Loan Agreement"), by and between the Authority and The Help Group;

(c) a regulatory agreement (the "Regulatory Agreement"), by and among the Authority, the Office and The Help Group;

(d) a contract of insurance (the "Contract of Insurance"), by and among the Authority, the Office, and The Help Group;

(e) a bond purchase agreement, including the appendices thereto (collectively, the "Bond Purchase Agreement"), by and between Wulff, Hansen & Co., as underwriter (the "Underwriter"), the Treasurer and the Authority and approved by The Help Group, so long as the Underwriter's discount for purchase of the Bonds (exclusive of any original issue discount) does not exceed 1.25% of the principal amount of the Bonds; and

(f) a preliminary official statement relating to the Bonds (the "Preliminary Official Statement")

are hereby approved in 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 the form of credit or liquidity enhancement for any series of Bonds) as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Indenture, the Loan Agreement, the Regulatory Agreement, the Contract of Insurance and the Bond Purchase Agreement and by delivery thereof in the case of the Preliminary Official Statement.

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 date, maturity dates (not exceeding 25 years from the date of issue), interest rate or rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Indenture as finally executed.

Section 6. The Underwriter is hereby authorized to distribute the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds. The Underwriter is hereby directed to deliver a copy of a final official statement (the "Official Statement") to all actual purchasers of the 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 the Underwriter 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 the Underwriter upon payment of the purchase price thereof.

Section 8. Each officer of the Authority is hereby authorized and directed to do any and all things 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 Indenture, the Loan Agreement, the Contract of Insurance, the Regulatory Agreement, the Bond Purchase Agreement and the Official Statement. The Authority hereby approves any and all documents to be delivered in furtherance of the foregoing purposes: (a) certifications, including, a tax certificate, and assignment of the Authority's right title and interest in any deed of trust; and (b) any agreement or commitment letter with respect to the provisions of bond insurance, a surety bond and/or a liquidity facility for the Bonds.

Section 9. The provisions of the Authority's resolution No. 2011-15 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: _____, 2012