

**NOTICE OF PUBLIC HEARING PURSUANT TO SECTION
147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS
AMENDED, FOR THE FINANCING AND/OR REFINANCING
OF CERTAIN FACILITIES FROM THE ISSUANCE OF TAX-
EXEMPT OBLIGATIONS**

NOTICE IS HEREBY GIVEN that at 6:00 p.m., or as soon thereafter as such matters can be heard, on July 2, 2012 in the Chambers of the City Council of Huntington Beach, California, City Hall, 2000 Main Street, Huntington Beach, California 92648, the City Council of the City of Huntington Beach (the "City") will conduct a public hearing (the "Public Hearing") at which time the City will hear and consider information concerning the proposed tax-exempt loan (the "Loan") by the California Municipal Finance Authority (the "Authority") in an aggregate principal amount not to exceed nine million dollars (\$9,000,000) to The Pegasus School, a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") (or any affiliate thereof or successor thereto) (the "School"), pursuant to a master loan agreement (the "Master Loan Agreement"). The School plans to use the proceeds of the Loan to (1) refund the outstanding principal amount of the California Statewide Communities Development Authority Variable Rate Demand Revenue Bonds (The Pegasus School), Series 2003 (the "2003 Bonds"), the proceeds of which were loaned to the School, to enable the School to finance or refinance the costs of the acquisition, construction and improvement of certain educational and related and ancillary facilities at 19692 Lexington Lane, Huntington Beach, CA 92646 (the "Facilities") and (2) pay various costs of issuance and other related costs with respect to the Loan and refunding of the 2003 Bonds, including ancillary termination fees relating to any hedge of the 2003 Bonds (collectively, the "Refinancing"). The Facilities are owned by the School and used for the educational purposes thereof.

The Loan will be paid entirely from repayments by the School under the Master Loan Agreement. Neither the full faith and credit nor the taxing power, if any, of the City, the Authority and its members, the State of California (the "State") or any other political corporation, subdivision or agency of the State is pledged to the payment of the principal of, premium, if any, or interest on the Loan, nor shall the City, the Authority and its members, the State, or any other political corporation, subdivision or agency of the State be liable or obligated to pay the principal of, premium, if any, or interest on the Loan.

The Public Hearing is intended to comply with the public approval requirements of Section 147(f) of the Code.

Those wishing to comment on the issuance of the Loan or on the proposed nature and the Refinancing plan may either appear in person at the time and place indicated above or submit written comments, which must be received prior to the Public Hearing, to the City, c/o Joan L. Flynn, Clerk of City Council, at City Hall, 2000 Main Street, Huntington Beach, California 92648.

Date: _____, 2012

CITY OF HUNTINGTON BEACH

/s/ Joan L. Flynn

Clerk of the City Council

Joan L. Flynn, City Clerk
City of Huntington Beach
2000 Main Street, 2nd Floor
Huntington Beach, California 92648
714-536-5227

<http://huntingtonbeachca.gov/HBPublicComments/>