Resolution approving the issuance and sale of tax-exempt bonds by the ABAG Finance Authority for Nonprofit Corporations in an aggregate principal amount not to exceed $27,100,000 to finance various capital facilities owned by San Francisco Friends School or an affiliate.

WHEREAS, San Francisco Friends School, a California nonprofit corporation (the "Corporation") has requested that the ABAG Finance Authority for Nonprofit Corporations, a joint exercise of powers agency established pursuant to the laws of the State of California (the "Authority") issue and sell its revenue bonds (the "Bonds") in an aggregate principal amount not expected to exceed $27,100,000, for the purpose of making a loan (the "Loan") to the Corporation to finance various capital facilities as more fully described below; and,

WHEREAS, The Corporation plans to use the proceeds of the Loan to finance the following: 1) acquisition, rehabilitation, renovation, construction and equipping of an industrial building located at 250 Valencia Street to be converted to be used as the Corporation's educational facilities (the "Facilities") within the City and County of San Francisco, California (the "City") including furniture, fixtures and equipment and design, architectural, engineering, project management, project consultants and other similar expenses relating thereto, (2) miscellaneous construction, renovation, improvements, capital maintenance, equipment acquisition and installation thereof at the Facilities, and (3) various costs of issuance, a debt service reserve fund, capitalized interest, working capital and credit enhancement fees (collectively, the "Project"), all to be owned and operated by the Corporation or an affiliated entity and used for the educational purposes thereof; and,
WHEREAS, The issuance and delivery of the Bonds shall be subject to the approval of and execution by the Authority of all financing documents relating thereto to which the Authority is a party and subject to the sale of the Bonds by the Authority; and,

WHEREAS, The Project is located wholly within the City; and,

WHEREAS, The interest on the Bonds may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Bonds are approved in accordance with Section 147(f) of the Code; and,

WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative body of the City and is one of the applicable elected representatives required to approve the issue within the meaning of Section 147(f) of the Code; and,

WHEREAS, The Authority has requested the Board to approve the issuance and sale of the Bonds in order to satisfy the public approval requirements of Section 147(f) of the Code; and,

WHEREAS, On July 2, 2007, the City caused a notice to appear in the San Francisco Examiner, which is a newspaper of general circulation in the City, stating that a public hearing with respect to the issuance of the Bonds would be held by the City's Office of Public Finance on July 16, 2007; and,

WHEREAS, The Office of Public Finance held the public hearing described above on July 16, 2007, and an opportunity was provided for persons to comment on the issuance and sale of the Bonds and plan of financing the Project; and,

WHEREAS, The Office of Public Finance has satisfied the requirements of the City's Bond TEFRA Approval Policy set forth in San Francisco Administrative Code Section 43.9.5 and the Director of Public Finance recommends adoption of this Resolution; now, therefore be it
RESOLVED, That this Board hereby finds and declares the above recitals are true and
correct; and, be it

FURTHER RESOLVED, That this Board hereby approves the issuance and sale of the
Bonds by the Authority; and be it

FURTHER RESOLVED, That it is the purpose and intent of this Board that this
Resolution constitute approval of the issuance of the Bonds by the applicable elected
representative of the governmental unit having jurisdiction over the area in which the Project
is located for the purposes of and in accordance with Section 147(f) of the; and, be it

FURTHER RESOLVED, That the approval of the issuance and sale of the Bonds by
the Authority is neither an approval of the underlying credit issues of the proposed Project nor
an approval of the financial structure of the Bonds; and be it

FURTHER RESOLVED, That the Bonds shall not constitute a debt or obligation of the
City and the payment of the principal, prepayment premium, if any, and purchase price of and
interest on the Bonds shall be solely the responsibility of the Corporation; and be it

FURTHER RESOLVED, The adoption of this Resolution shall not obligate (i) the City to
provide financing to the Corporation for the acquisition, rehabilitation and development of the
Project or to issue the Bonds for purposes of such financing; or (ii) the City, or any department
of the City, to approve any application or request for, or take any other action in connection
with, any environmental, General Plan, zoning or any other permit or other regulatory action
sought in connection with the Project; and be it

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SUPERVISOR DUFTY
BOARD OF SUPERVISORS
FURTHER RESOLVED, That this Resolution shall take effect immediately upon its adoption.

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: KENNETH DAVID ROUX
Deputy City Attorney
Resolution approving the issuance and sale of tax-exempt bonds by the ABAG Finance Authority for Nonprofit Corporations in an aggregate principal amount not to exceed $27,100,000 to finance various capital facilities owned by San Francisco Friends School or an affiliate.

August 7, 2007 Board of Supervisors — ADOPTED
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Jew, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 071052

I hereby certify that the foregoing Resolution was ADOPTED on August 7, 2007 by the Board of Supervisors of the City and County of San Francisco.

Angela Calviño
Clerk of the Board

Date Approved

Mayor Gavin Newsom