Resolution approving the issuance and sale of tax-exempt bonds by the California Municipal Finance Authority in an aggregate principal amount not to exceed $10,000,000 to finance various capital facilities owned or leased by Children's Day School.

WHEREAS, Children's Day School, Inc., a California nonprofit corporation (the "Corporation") has requested that the California Municipal Finance Authority, a joint exercise of powers agency established pursuant to the laws of the State of California (the "Authority") issue and sell from time to time its revenue bonds (the "Bonds"), in one or more series over the next three years, in an aggregate principal amount not expected to exceed $10,000,000, for the purpose of making one or more loans (collectively, the "Loan") to the Corporation pursuant to a plan of financing for various capital facilities as more fully described below; and

WHEREAS, The City and County of San Francisco (the "City") is a member of the Authority; and

WHEREAS, The Corporation expects to use the proceeds of the Loan over the next three years to finance the following: (1) construction, acquisition, improvement, capital maintenance, equipment acquisition and other related capital expenditures at the Corporation's facilities located at 333 Dolores Street, San Francisco, California 94110 and 3275-3279 16th Street, San Francisco, California 94103 (the "Facilities"); (2) acquisition and/or improvement of one or more properties located immediately adjacent to the Facilities in the area bounded by Dolores Street, 16th Street, Guerrero Street and 17th Street in San Francisco, California; (3) refinance approximately $7.2 million of loans with banks and certain individuals that financed construction,
acquisition, improvement, capital maintenance, equipment acquisition and other related capital
expenditures at the Facilities; and (4) costs of issuance, funding a debt service reserve,
capitalized interest and credit enhancement fees (collectively, the “Projects”), all to be owned or
leased and operated by the Corporation 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 shall also be 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 the applicable elected representative 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 May 3, 2010, the City caused a notice to appear in the San Francisco
Chronicle, 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 May
18th, 2010; and

WHEREAS, The Office of Public Finance held the public hearing described above on May
18th, 2010, and an opportunity was provided for persons to comment on the issuance and sale of
the Bonds and plan of financing the Project; and

**Supervisor Dufty**
BOARD OF SUPERVISORS

Page 2
5/21/2010
WHEREAS, the Director of Public Finance recommends approval of the issuance and sale of the Bonds pursuant to Chapter 43, Article 9, Section 5 of the Administrative Code; 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 constitutes 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 Code; and, be it

FURTHER RESOLVED, That the approval of the issuance and sale of the Bonds by the City is neither an approval of the underlying credit issues of the proposed Project nor an approval of the financial structure of the Bonds; and the City, nor any department thereof, shall have no responsibility or liability whatsoever with respect to the Bonds or the Project; 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, That 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; (ii) make any contribution or advance any funds to the Authority; or (iii) 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

FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
adoption.

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By:  [Signature]
KENNETH DAVID ROUX
Deputy City Attorney
File Number: 100646                    Date Passed: June 08, 2010

Resolution approving the issuance and sale of tax-exempt bonds by the California Municipal Finance Authority in an aggregate principal amount not to exceed $10,000,000 to finance various capital facilities owned or leased by Children's Day School.

June 08, 2010 Board of Supervisors - ADOPTED
Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

I hereby certify that the foregoing Resolution was ADOPTED on 6/8/2010 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Gavin Newsom                     Date Approved

6/09/2010