

**NEW ISSUE
BOOK ENTRY ONLY**

**RATING: STANDARD & POOR'S: BBB+
SEE "RATINGS" HEREIN**

*In the opinion of Jones Day, San Francisco, California, Bond Counsel to Episcopal Senior Communities, assuming compliance with certain covenants, under present law, interest on the Series 2011 Bonds will not be includible in gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 2011 Bonds will be taken into account, however, an adjustment used in computing a corporation's alternative minimum taxable income for purposes of determining the federal alternate minimum tax imposed on certain corporations. Interest accruing on the Series 2011 Bonds will be exempt from the Personal Income Tax Law imposed by the State of California under Sections 17001 through 19802 of the California Revenue and Taxation Code. See **"TAX MATTERS"** herein for a more detailed discussion of some of the federal income tax consequences of owning the Series 2011 Bonds, and certain tax laws of the State of California.*

\$62,200,000

E P I S C O P A L
SENIOR COMMUNITIES

**ABAG Finance Authority for Nonprofit Corporations
Revenue Refunding Bonds, Series 2011
(Episcopal Senior Communities)**

Dated: Date of Delivery

Due: July 1, as shown below

The ABAG Finance Authority for Nonprofit Corporations (including its successors and assigns, the "Authority") is issuing its \$62,200,000 aggregate principal amount of Revenue Refunding Bonds, Series 2011 (Episcopal Senior Communities) (the "Series 2011 Bonds") pursuant to a Bond Trust Indenture dated as of October 1, 2011 (the "Bond Indenture"), between the Authority and U.S. Bank National Association, as bond trustee (the "Bond Trustee"). The proceeds of the Series 2011 Bonds will be loaned to Episcopal Senior Communities (the "Corporation") to (1) refinance certain outstanding Certificates of Participation described more fully herein; (2) finance or reimburse certain capital improvements at continuing care retirement communities of the Corporation in California; and (3) pay certain costs associated with the issuance of the Series 2011 Bonds and the repayment of the aforementioned Certificates of Participation. A more detailed description of the use of the proceeds from the sale of the Series 2011 Bonds is included under the captions **"ESTIMATED SOURCES AND USES OF FUNDS"** and **"PLAN OF FINANCE"** herein. Except as described in this Official Statement, the Series 2011 Bonds will be payable solely from and secured by a pledge of payments to be made under the Loan Agreement dated as of October 1, 2011 (the "Loan Agreement"), between the Authority and the Corporation and the Corporation's Direct Note Obligation No. 3 (the "Series 2011 Obligation") issued by the Corporation under a Master Trust Indenture (the "Master Indenture") dated as of October 1, 2011 between the Corporation, any future Member of the Obligated Group and U.S. Bank National Association, as master trustee (the "Master Trustee"). The Series 2011 Bonds are payable by the Bond Trustee out of the payments to be made by the Corporation under the Loan Agreement and on the Series 2011 Obligation and from certain funds held under the Bond Indenture. The sources of payment of, and security for, the Series 2011 Bonds are more fully described in this Official Statement.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>MATURING JULY 1</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YIELD</u>	<u>CUSIP[†]</u>
2012	\$610,000	3.00%	2.75%	00037CRN2
2013	920,000	4.00	3.10	00037CRP7
2014	960,000	4.00	3.25	00037CRQ5
2015	995,000	5.00	3.53	00037CRR3
2016	1,045,000	5.00	3.90	00037CRS1
\$7,520,000 5.250% Term Bonds due July 1, 2022, to yield 5.450%, CUSIP: 00037CRT9				
\$3,070,000 5.375% Term Bonds due July 1, 2024, to yield 5.650%, CUSIP: 00037CRX0				
\$3,420,000 6.125% Term Bonds due July 1, 2026, to yield 5.800%*, CUSIP: 00037CRU6				
\$10,530,000 6.000% Term Bonds due July 1, 2031, to yield 6.140%, CUSIP: 00037CRV4				
\$33,130,000 6.125% Term Bonds due July 1, 2041, to yield 6.300%, CUSIP: 00037CRW2				

When issued, the Series 2011 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2011 Bonds. Purchases will be made only in book-entry form through the Participants (as herein defined) in DTC, and no physical delivery of the Series 2011 Bonds will be made to Beneficial Owners (as herein defined) except as described herein. So long as Cede & Co. is the registered owner of the Series 2011 Bonds, as nominee of DTC, references herein to the Bondholders, Holders or registered owners of the Series 2011 Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2011 Bonds. See **"BOOK-ENTRY SYSTEM"** herein.

The principal of, premium, if any, and interest on the Series 2011 Bonds will be paid by the Bond Trustee, to Cede & Co., as long as Cede & Co. is the registered owner of the Series 2011 Bonds. Disbursements of such payments to the Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants as more fully described herein.

An investment in the Series 2011 Bonds involves a certain degree of risk related to the nature of the business of the Corporation, the regulatory environment, and the provisions of the principal documents. A prospective holder of the Series 2011 Bonds is advised to read **"SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2011 BONDS"** and **"RISK FACTORS"** herein for a description of the security for the Series 2011 Bonds and for a discussion of certain risk factors which should be considered in connection with an investment in the Series 2011 Bonds. See **"RISK FACTORS"** herein.

The Series 2011 Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity as described herein under **"THE SERIES 2011 BONDS – Redemption Provisions"** herein.

THE SERIES 2011 BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY THE PLEDGE OF REVENUES PURSUANT TO THE BOND INDENTURE. NONE OF THE AUTHORITY, THE ASSOCIATION OF BAY AREA GOVERNMENTS ("ABAG"), OR THE MEMBERS OF THE AUTHORITY OR ABAG SHALL BE DIRECTLY, INDIRECTLY, CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS OF THE AUTHORITY, ABAG OR ANY OF THEIR MEMBERS TO PAY ALL OR ANY PORTION OF DEBT SERVICE DUE ON THE SERIES 2011 BONDS. THE SERIES 2011 BONDS AND THE OBLIGATION TO PAY PRINCIPAL THEREOF, OR PREMIUM, IF ANY, AND INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION OF THE AUTHORITY, ABAG, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION, OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF ANY OF THEM, BUT SHALL BE PAYABLE SOLELY FROM THE TRUST ESTATE AS PROVIDED IN THE BOND INDENTURE. NO OWNER OF THE SERIES 2011 BONDS SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO PAY ANY PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2011 BONDS. NEITHER THE AUTHORITY NOR ABAG HAS ANY TAXING POWER.

The Series 2011 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without any notice, and to the approval of legality of the Series 2011 Bonds by Jones Day, San Francisco, California, Bond Counsel to the Corporation. Certain legal matters will be passed upon for the Corporation by their financing counsel, by Jones Day, San Francisco, California; for the Underwriter by its counsel, Katten Muchin Rosenman LLP, Los Angeles, California and Chicago, Illinois and for the Authority by its special counsel, Sidley Austin LLP, San Francisco, California. It is expected that the Series 2011 Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about October 27, 2011.

This cover page contains certain information for ease of reference only. It does not constitute a summary of the Series 2011 Bonds or the security therefor. Potential investors must read this entire Official Statement, including the Appendices, to obtain information essential to the making of an informed investment decision.



The date of this Official Statement is October 6, 2011

* Yield calculated to first call

† Copyright, American Bankers Association, CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw Hill Companies, Inc. The CUSIP numbers are provided for convenience and reference only.