Resolution authorizing the issuance and sale of revenue bonds by ABAG Finance Authority for Nonprofit Corporations in an aggregate principal amount not to exceed $20,000,000 for The California School of Mechanical Arts, or an affiliate.

WHEREAS, 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”), has proposed to issue and sell its revenue bonds (the “Bonds”) in an aggregate principal amount not expected to exceed $20,000,000 for the purpose of making a loan to The California School of Mechanical Arts, or an affiliate, a California nonprofit public benefit corporation (the “Corporation”); and,

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

WHEREAS, The project to be financed with the proceeds of the Bonds includes:

1. the construction of a technology and design center, the expansion of seating capacity at the Corporation’s auditorium, the remodeling of the school entrance, the construction of a new cafeteria, a new music room and various other capital improvements for property located at 755 Ocean Avenue, San Francisco, California;
2. potential land acquisition located at 31 Howth Street, San Francisco, California; and
3. the payment of other related expenses (collectively, the “Project”); 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,

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Supervisor Hall
BOARD OF SUPERVISORS
WHEREAS, The Authority has requested the Board of Supervisors of the City (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 October 16, 2001, the City caused a notice stating that a public
hearing with respect to the issuance of the Bonds would be held by the Mayor's Office of
Public Finance on October 31, 2001, to appear in The Examiner which is a newspaper of
general circulation in the City; and,

WHEREAS, The Mayor's Office of Public Finance has held the public hearing
described above on October 31, 2001, and an opportunity was provided for persons to
comment on the issuance and sale of the Bonds and the Project; and,

WHEREAS, This 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; 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. It is the purpose and intent of this Board that this Resolution
constitute approval of the bonds by the applicable elected representative of the governmental
unit having jurisdiction over the area in which the Project is located 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.

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APPROVED AS TO FORM:

LOUISE H. RENNE
CITY ATTORNEY

By: Theresa Alvarez
Deputy City Attorney
Resolution authorizing the issuance and sale of revenue bonds by ABAG Finance Authority for Nonprofit Corporations in an aggregate principal amount not to exceed $20,000,000 for the California School of Mechanical Arts, or an affiliate.

November 13, 2001 Board of Supervisors — ADOPTED
Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Newsom, Peskin, Sandoval, Yee

File No. 012007

I hereby certify that the foregoing Resolution was ADOPTED on November 13, 2001 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Date Approved

Mayor Willie L. Brown Jr.