NOT YET APPROVED

RESOLUTION NO.____
RESOLUTION OF THE COUNCIL OF THE CITY OF
PALO ALTO APPROVING THE ISSUANCE OF BONDS BY
THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO
EXCEED $14,000,000 FOR THE PURPOSE OF FINANCING
THE CONSTRUCTION OF FABIAN WAY SENIOR
APARTMENTS

WHEREAS, Fabian Way Associates, L.P., a California limited partnership (the
"Borrower"), has requested that the California Municipal Finance Authority (the
"Authority") issue one or more series of revenue bonds in an aggregate principal amount
not to exceed $14,000,000 (the "Bonds"), and to lend the proceeds of the Bonds to the
Borrower for the purpose of financing the costs of construction of a multifamily
residential rental facility (the "Facilities") to be owned by the Borrower and located at
901 San Antonio Road in the City of Palo Alto (the "City"); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the
"Code"), the issuance of the Bonds by the Authority must be approved by the City
because the Facilities are to be located within the City; and

WHEREAS, the City Council of the City (the "City Council") is the elected
legislative body of the City and is one of the applicable elected representatives required
to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve the
issuance of the Bonds by the Authority in order to satisfy the public approval requirement
of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of
(the "Agreement") that created the Authority, among certain local agencies, including the
City; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has,
following notice duly given, held a public hearing regarding the issuance of the Bonds,
and now desires to approve the issuance of the Bonds by the Authority;

NOW, THEREFORE, the City Council of the City of Palo Alto does hereby
RESOLVE as follows:

SECTION 1. The City Council hereby approves the issuance of the Bonds by the
Authority. It is the purpose and intent of the City Council that this resolution constitute
approval of the issuance of the Bonds by the Authority, for the purposes of (a) Section
147(f) of the Code, by the applicable elected representative of the governmental unit
having jurisdiction over the area in which the Facilities are to be located, in accordance
with said Section 147(f) and (b) Section 4 of the Agreement.
NOT YET APPROVED

SECTION 2. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to construct the Facilities; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the construction or operation of the Facilities; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

SECTION 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the financing transaction approved hereby.

SECTION 4. The City Clerk shall forward a certified copy of this Resolution to the bond counsel for the Bonds, addressed as follows:

Paul J. Thimmig, Esq.
Quint & Thimmig LLP
575 Market Street, Suite 3600
San Francisco, CA 94105-2874

SECTION 5. This Resolution shall take effect immediately upon its adoption.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:  APPROVED:

__________________________________________________________________
City Clerk

APPROVED AS TO FORM:

__________________________________________________________________
Assistant City Attorney

__________________________________________________________________
Mayor

City Manager

__________________________________________________________________
Director of Planning and Community Environment