THE CITY OF
NOVATO
CALIFORNIA

75 Rowland Way, #200
Novato, CA 94945-3232
415/899-8900
FAX 415/899-8213
www.ci.novato.ca.us

JOINT CITY COUNCIL/REDEVELOPMENT AGENCY/
NOVATO FINANCING AUTHORITY
to be held at
NOVATO CITY HALL
COUNCIL CHAMBERS
901 SHERMAN AVENUE
MARCH 8, 2011
7:30 P.M

A G E N D A

A. CALL TO ORDER

B. CLOSED SESSION ANNOUNCEMENT

No closed session is scheduled.

C. APPROVAL OF FINAL AGENDA

7:30 P.M. *(Time is approximate.)*

D. PUBLIC COMMENTS

See agenda cover page for information about Public Comment periods and associated protocol

E. GENERAL BUSINESS

8:00 P.M. *(Time is approximate.)*

1. POSSIBLE APPOINTMENT OF INTERIM SUBSTITUTE NFA BOARD MEMBER

Consider appointment of interim substitute NFA Board member if necessary due to family illness.

8:15 P.M. *(Time is approximate.)*

2. AMENDING JOINT POWERS AUTHORITY AGREEMENT BETWEEN THE NOVATO FINANCE AUTHORITY (NFA) AND THE REDEVELOPMENT AGENCY OF THE CITY OF NOVATO (RDA)

Consider amending the joint powers authority agreement forming the Novato Finance Authority ("NFA"), a joint powers authority between the City of Novato ("City") and Redevelopment Agency of the City of Novato ("RDA").

Recommendation: ***Staff recommends the City Council and RDA Board of Directors adopt the proposed amendments to the NFA joint powers authority agreement.***

8:30 P.M. *(Time is approximate.)*

3. CONSIDER AND POSSIBLY TAKE ACTION TO TRANSFER ALL REAL AND PERSONAL PROPERTY OF THE NOVATO FINANCING AUTHORITY TO THE CITY OF NOVATO

Consider the following actions to complete the transfer of all real and personal property of the Novato Public Finance Authority (NPFA) and the Novato Finance Authority (NFA) to the City of Novato:

Consider the following actions to complete the transfer of all real and personal property of the Novato Financing Authority (NFA) to the City of Novato:

a. City Council adoption of a resolution approving an assignment and assumption agreement regarding acceptance of NFA held real property assets; and

b. NFA adoption of a resolution approving the execution of an assignment and assumption agreement regarding transferring NFA held real property assets to the City of Novato; and

c. NFA adoption of a resolution approving the transfer of all NFA held real property assets to the City of Novato; approval of the deeds to convey the NFA held parcels; and authorizing the Chair of the Board of Directors to execute the deeds; and

d. City Council adoption of a resolution accepting the deeds conveying all NFA held real property assets to the City of Novato and authorizing the execution of a certificate of acceptance and recordation of the deeds; and

e. NFA adoption of a resolution approving a bill of sale to transfer all NFA held personal property to the City of Novato and authorizing the

transfer of title of vehicles through the Department of Motor Vehicles or any other legal entity; and

f. Redevelopment Agency adoption of a resolution consenting to the real property transfer from the NFA to the City of Novato.

Recommendation: ***Consider taking all actions necessary to approve the transfer of the real and personal property held by the Novato Financing Authority to the City of Novato and adopt resolutions.***

8:45 P.M. *(Time is approximate.)*

F. ADJOURNMENT JOINT MEETING OF CITY COUNCIL, REDEVELOPMENT AGENCY AND NOVATO FINANCING AUTHORITY

AFFIDAVIT OF POSTING

I, Sheri Hartz, certify that on March 5, 2011, caused to be posted the agendas of the open session of the March 8, 2011 meeting of the joint City Council/Redevelopment Agency/ Novato Financing Authority of the City of Novato, California, on the City Community Service Board in the Police Department and on the City's website at **www.cityofnovato.org.**

_____
Sheri Hartz, City Clerk

STAFF REPORT

NFA-3

THE CITY OF NOVATO CALIFORNIA

75 Rowland Way #200
Novato, CA 94945-3232
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MEETING DATE: March 8, 2011

TO: City Council, Redevelopment Agency Board, & Novato Financing Authority Board

FROM: Michael Frank, City Manager/Redevelopment Executive Director
Veronica Nebb, Assistant City Attorney
Cathy Capriola, Assistant City Manager
Steve Marshall, Senior Planner

SUBJECT: **CONSIDER AND POSSIBLY TAKE ACTION TO TRANSFER ALL REAL AND PERSONAL PROPERTY OF THE NOVATO FINANCING AUTHORITY TO THE CITY OF NOVATO**

REQUEST

Consider the following actions to complete the transfer of all real and personal property of the Novato Financing Authority (NPFA) to the City of Novato:

1. City Council adoption of a resolution approving an assignment and assumption agreement regarding acceptance of NFA held real property assets; and

2. NFA adoption of a resolution approving the execution of an assignment and assumption agreement regarding transferring NFA held real property assets to the City of Novato; and

3. NFA adoption of a resolution approving the transfer of all NFA held real property assets to the City of Novato; approval of the deeds to convey the NFA held parcels; and authorizing the Chair of the Board of Directors to execute the deeds; and

4. City Council adoption of a resolution accepting the deeds conveying all NFA held real property assets to the City of Novato and authorizing the execution of a certificate of acceptance and recordation of the deeds; and

5. NFA adoption of a resolution approving a bill of sale to transfer all NFA held personal property to the City of Novato and authorizing the transfer of title of vehicles through the Department of Motor Vehicles or any other legal entity; and

6. Redevelopment Agency adoption of a resolution consenting to the real property transfer from the NFA to the City of Novato.

Novato City Council
Agenda Staff Report
Date: _____
File No. _____

RECOMMENDATION

1. Conduct a joint public meeting of the Novato City Council, the Redevelopment Agency of the City of Novato, and the Novato Finance Authority to consider taking all actions necessary to approve the transfer of the real and personal property held by the Novato Financing Authority to the City of Novato.

2. Adopt resolutions.

BACKGROUND

In January 2011, California Governor Jerry Brown released his proposal for the state's Fiscal Year 2011/2012 budget. As has been widely reported, Governor Brown's budget proposal calls for the elimination of the 425 redevelopment agencies currently established in California. Governor Brown has stated his belief that the property tax increment received by redevelopment agencies should now be directed to "core government services," such as education and public safety. While the ultimate outcome and impact of Governor Brown's budget proposal is unknown at this time, there is at this point a very real concern that the real and personal property assets held by the Novato Financing Authority, a joint powers agency formed by the Novato Redevelopment Agency and the City, could be exposed to forced disposition if the Redevelopment Agency were abolished.

The forced disposition of the real and personal property assets of the NFA is of serious concern since such an action would likely have a negative impact on Marin Valley Mobile Country Club (MVMCC), which is held by the NFA. The NFA's involvement with the MVMCC can be traced back to mid 1990's, when the mobile home park was available for sale. At that time, there were concerns that the sale of the mobile home park would lead to rent increases, which would displace existing senior residents living on fixed-incomes. In response to this threat, the Park Acquisition Corporation (PAC) was formed to represent the residents of MVMCC. PAC entered into an agreement to purchase the park, but was unable to obtain a financing package that would allow the purchase of MVMCC and keep rents at affordable levels for the 315 households in the park. As a result, residents called upon the City of Novato for help.

After considerable discussion, in 1996 the City Council and Novato Redevelopment Agency entered into a Joint Exercise of Powers Agreement that formed the Novato Financing Authority (NFA). Formation of the NFA allowed the City to purchase the park through issuance of tax exempt bonds without risking the City's general fund revenues. In addition to providing access to financing, the NFA provided a level of liability protection for both the Redevelopment Agency and the General Fund of the City should unforeseen liabilities arise with respect to the MVMCC property. Lastly, the NFA represented a separate legal entity to oversee the administration of the purchase and management of park operations.

The Redevelopment Agency's involvement in the purchase of the MVMCC was limited to an Agency pledge to secure the subordinate bonds issued. This financial guarantee of the Redevelopment Agency was never exercised since the rent revenue from MVMCC was always sufficient to cover the bond debt. The subordinate bonds were paid off in 2010. As such, the Redevelopment Agency never expended any funds on the NFA owned assets at MVMCC.

DISCUSSION

Given the threat of Governor Brown's budget proposal on public use municipal properties held by joint power agencies many cities are looking at how they are currently holding title to these public properties and are considering various actions. One such action is transferring ownership of properties to the incorporated city or county that established the joint powers agency. Accordingly, City staff, in consultation with the City Attorney, is recommending the NFA transfer ownership of the MVMCC and any accompanying personal property to the City of Novato.

If the Governor's budget is approved, there is the potential threat that the NFA could be forced to liquidate its interest in MVMCC. Such an outcome would likely have a devastating impact on the affordability of the mobile home units at the mobile home park since it is possible the MVMCC could be acquired by a private entity that would be unrestrained from raising rents in the park, potentially leading to the displacement of low-income seniors. With this potential outcome in mind, the recommended property transfer is intended to ensure the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to assure use of the property in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC mortgage loan documents. Further, the transfer of the MVMCC to the City will avoid costly litigation, which would be paid from park proceeds that would likely ensue over any attempted forced sale, transfer, or joint ownership of the MVMCC.

Based on all the information above, staff recommends that the NFA transfer all assets, responsibilities and obligations of the NFA relating to the MVCC to the City. This recommendation is further based on a number of additional facts.

1. The City chose to establish the NFA in order to protect the City's General Fund, provide a layer of liability protection and create a separate entity to oversee the park. However, the City could have chosen to own the park itself directly during the original purchase.

2. The current NFA Joint Powers Agreement states that the disposition of the assets of the JPA may be determined by the City and the Redevelopment Agency in any manner to which they agree. The NFA can transfer the MVMCC to the City with no compensation, because the action is between two public entities charged with the same function and also since the City is the primary legal entity comprising the NFA. (In the prior staff report, the staff is recommending that the Joint Powers Agreement be amended to clarify that the City will take ownership of the park and its assets upon dissolution of the JPA.)

   There have been many conversations through the years regarding the ownership of the park by residents. It is important to note that there is a distinct difference between a transfer between two public entities with the City as a member of both sides of the transaction and any sale of the MVMCC to a for-profit or not for profit entity or individual ownership. While there are clear laws regarding a "gift of public funds" which would require compensation for any private transaction

such laws are not triggered when transferring property among public agency with shared public purpose.

3. The City could have taken this action to transfer the asset from the NFA to the City at any time in the past, however there was never a need to undertake this action.

Based on these facts and current law, legal counsel is clear that the mobile home park could always have been and can be now transferred among the members of the Joint Powers Agency, the City and the Redevelopment Agency, without any compensation.

Actions to Transfer
In order to complete the transfer of the MVMCC and its associated personal assets to the City a number of actions must be taken by the City Council, the Novato Redevelopment Agency, and the Novato Finance Authority. These are listed and explained below.

1. *City Council adoption of a resolution approving an Assignment and Assumption Agreement.* This agreement memorializes the City's acceptance and unconditional assumption in full all of the duties, agreements, and obligations of the NFA with respect to the MVMCC. This document is intended to assure the MVMCC bond insurer that if the property is transferred, the City will honor all obligations agreed to by the NFA. In addition, this document would include the assignment and assumption of the Delegation Agreement/Management Agreement with the PAC which further means that the contract with Frei Real Estate Services remains in place. The draft Assignment and Assumption Agreement is listed as Exhibit "A" attached to the resolution provided as Attachment No. 1 to this staff report.

2. *NFA adoption of a resolution approving the execution of an Assignment and Assumption Agreement regarding transferring NFA held real property assets to the City of Novato.* By approving this agreement the NFA would be agreeing to assign its right, title, interest, and obligations regarding the MVMCC mortgage loan documents to the City. The draft Assignment and Assumption Agreement is listed as Exhibit "A" attached to the resolution provided as Attachment No. 2 to this staff report.

3. *NFA adoption of a resolution approving the transfer of all NFA held real property assets to the City of Novato; approval of the deeds to convey the NFA held parcels; and authorizing the Chair of the Board of Directors to execute the deeds.* These actions represent the steps the NFA would take to approve the property transfer and convey title to the MVMCC to the City. A resolution approving these actions is provided as Attachment No. 3 to this report.

4. *City Council adoption of a resolution accepting the deeds conveying all NFA held real property assets to the City of Novato and authorizing the execution of a certificate of acceptance and recordation of the deeds.* This formal step would involve the City inspecting the deeds executed by the NFA and accepting them via the execution of a certificate of acceptance and thereafter recording said deeds with the County Clerk. A resolution approving these actions is provided as Attachment No. 4 to this report.

5. *NFA adoption of a resolution approving a bill of sale to transfer all NFA held personal property to the City of Novato.* A bill of sale is a written instrument which evidences the transfer of title to personal property. This action also authorizes the execution of transfer documents with the Department of Motor Vehicles. A resolution approving the bill of sale is provided as Attachment No. 5 of this report.

6. *Redevelopment Agency adoption of a resolution consenting to the real property transfer from the NFA to the City of Novato.* Since the Redevelopment Agency is a party to the NFA Pledge Agreement the Agency is required by that document to consent to any transfer.

FISCAL IMPACT

Transferring the NFA's personal and real property assets to the City is not anticipated to have a negative fiscal impact on the General Fund of the City. As mentioned above, the MVMCC generates sufficient rent revenues to cover the outstanding senior bond payments due on the mobile home park. Transferring the assets at this time may result in a significant cost savings by avoiding costly litigation for the NFA. Finally, the NFA Joint Powers Agreement provides for the assets to be transferred among the members of the Joint Powers Agency, the City and the Redevelopment Agency, without regard to compensation.

ALTERNATIVES

1. Adopt Resolutions.
2. Do not adopt resolutions.
3. Provide direction to staff.

ATTACHMENTS

1. City Council Resolution – Assignment & Assumption Agreement
2. Novato Financing Authority Resolution - Assignment & Assumption Agreement
3. Novato Financing Authority Resolution – Property Transfer & Deed
4. City Council Resolution – Accepting Deed to Marin Valley Mobile Country Club
5. Novato Financing Authority Resolution – Bill of Sale
6. Novato Redevelopment Agency Resolution – Consent to Transfer

CITY COUNCIL OF THE CITY OF NOVATO

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NOVATO APPROVING AN ASSIGNMENT AND ASSUMPTION AGREEMENT REGARDING THE PROPOSED TRANSFER OF ALL REAL PROPERTY HELD BY THE NOVATO FINANCING AUTHORITY TO THE CITY OF NOVATO

WHEREAS, the Novato Financing Authority ("NFA") is a joint powers agency formed between the City of Novato and the Redevelopment Agency of the City of Novato; and

WHEREAS, the City of Novato ("City") is a general law city and municipal corporation; and

WHEREAS, the Redevelopment Agency of the City of Novato ("RDA") is a redevelopment agency formed, existing, and exercising its powers pursuant to California Redevelopment Law, Health and Safety Codes Section 33000 *et seq*; and

WHEREAS, the NFA was formed in 1996 in order to act as an ownership entity for the purchase of the Marin Valley Mobile Country Club (MVMCC) mobile home park to protect the senior affordable housing offered at the park; and

WHEREAS, the formation of the NFA allowed the City to purchase the MVMCC through tax exempt bond financing without risking general fund revenues. Bond financing was issued, including senior and subordinate bonds. The RDA's involvement was limited to an Agency pledge to secure the subordinate bonds. This financial guarantee of the RDA was never exercised since the rent revenue from MVMCC was always sufficient to cover the bond debt. The subordinate bonds were paid off in 2010. As such, the RDA never expended any funds on the NFA owned assets at MVMCC; and

WHEREAS, the state of California is contemplating the adoption of its Fiscal Year 2011/2010 budget, which includes a proposal to eliminate the 425 redevelopment agencies currently operating in California; and

WHEREAS, there is concern that the real property assets held by the Novato Financing Authority, a joint powers agency formed by the RDA and the City, could be exposed to forced disposition if the RDA were abolished; and

WHEREAS, if the NFA were forced to liquidate its interest in MVMCC it would have a devastating impact on the affordability of the mobile home units at the mobile

home park. Specifically, the MVMCC property could be acquired by a private entity that would be unrestrained from raising rents in the park, potentially leading to the displacement of low-income seniors; and

WHEREAS, the Board of Directors of the NFA has been requested to transfer NFA's real property assets to the City; and

WHEREAS, the City Council of the City of Novato is requested to approve an assignment and assumption agreement whereby the City would assume responsibility to meet all existing obligations of the Novato Financing Authority with respect to the MVMCC Mortgage Loan Documents, thus ensuring the continued compliance with the mortgage loan documents and any other obligations of the NFA once the MVMCC is transferred to the City of Novato; and

WHEREAS, a copy of the proposed assignment and assumption agreement is attached hereto as Exhibit "A."; and

WHEREAS, the proposed property transfer is intended to ensure the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to assure use of these assets in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC mortgage loan documents; and

WHEREAS, the original purchase of the MVMCC property, including the bond financing, could have been effected by the City alone at any time. In addition, the NFA Joint Powers Agreement provides for the assets to be transferred among the members of the Joint Powers Agency without regard to compensation; and

WHEREAS, staff and related financial support for the ownership of the MVMCC by the NFA has come from the City since the MVMCC was purchased in 1997; and

WHEREAS, the transfer of the MVMCC to the City of Novato will avoid costly litigation, which would be paid from park proceeds that would likely ensue over any attempted forced sale, transfer, or joint ownership of the MVMCC; and

WHEREAS, the City's bond counsel has issued an opinion that the interest payments on the bonds tied to the MVMCC would remain tax exempt following the proposed transfer; and

WHEREAS, the RDA, by separate resolution, has consented to the proposed transfer of NFA's real property assets to the City of Novato; and

WHEREAS, the proposed transfer of the real property held by the NFA to the City of Novato is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) by the general rule that CEQA applies only to projects that have the potential to cause significant effects on the environment. The proposed property transfers would not result in significant effects on the environment since the transfers do not: 1) contemplate any physical development

proposals; 2) propose or result in any changes to existing land use limitations or development intensity; 3) alter or otherwise extinguish existing development restrictions applicable to the property; or 4) alter or otherwise extinguish any other city approved and currently valid development entitlement or building permit. No new or differing actual development or physical improvements are contemplated; and

WHEREAS, a public meeting of the City Council of the City of Novato with respect to the proposed property transfer and assignment and assumption agreement was duly held in accordance with applicable law; and

WHEREAS, the Novato Planning Commission considered the proposed property transfer and, by separate resolution, reported the transfer to be consistent with the Novato General Plan; and

WHEREAS, the City Council of the City of Novato has considered all of the information, testimony, and evidence presented at the meeting concerning the proposed property transfers and assignment and assumption agreement; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Novato does hereby resolve as follows:

Section 1: The foregoing recitals are true and correct and incorporated herein.

Section 2: The City Council of the City of Novato finds and determines as follows:

A. The formation of the NFA allowed the City to purchase the MVMCC through tax exempt bond financing without risking general fund revenues. Bond financing was issued, including senior and subordinate bonds. The RDA's involvement was limited to an Agency pledge to secure the subordinate bonds. This financial guarantee of the RDA was never exercised since the rent revenue from MVMCC was always sufficient to cover the bond debt. The subordinate bonds were paid off in 2010. As such, the RDA never expended any funds on the NFA owned assets at MVMCC.

B. The property transfer will to ensure the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to assure use of these assets in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC mortgage loan documents.

C. The City assumption of NFA's obligations with respect to the MVMCC Mortgage Loan Documents would ensure the continued compliance with the mortgage loan documents and any other obligations of the NFA once the MVMCC is transferred to the City of Novato.

D. The City's bond counsel has issued an opinion that the interest payments on the bonds tied to the MVMCC would remain tax exempt following the proposed transfer.

E. The RDA, by separate resolution, has consented to the proposed transfer of NFA's real property assets to the City of Novato.

Section 3: The proposed transfer of the real property held by the NFA to the City of Novato is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) by the general rule that CEQA applies only to projects that have the potential to cause significant effects on the environment. The proposed property transfers would not result in significant effects on the environment since the transfers do not: 1) contemplate any physical development proposals; 2) propose or result in any changes to existing land use limitations or development intensity; 3) alter or otherwise extinguish existing development restrictions applicable to the property; or 4) alter or otherwise extinguish any other city approved and currently valid development entitlement or building permit. No new or differing actual development or physical improvements are contemplated; and

Section 4: By adoption of this resolution, the City Council of the City of Novato hereby approves the assignment and assumption agreement, as more precisely described in Exhibit "A" attached hereto, thereby assuming all of the NFA's obligations with respect to the MVMCC.

Section 5: By adoption of this Resolution, the Novato City Council does hereby authorize the Mayor to execute the Assignment and Assumption Agreement.

* * * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Novato, Marin County, California, at a meeting thereof, held on the ____ day of _____, by the following vote, to wit:

AYES: Councilmembers
NOES: Councilmembers
ABSTAIN: Councilmembers
ABSENT: Councilmembers

_____
Sheri Hartz, City Clerk

Approved as to form:

_____
City Attorney of the City of Novato

RECORDING REQUESTED BY AND WHEN
RECORDED RETURN TO:

City of Novato
Attn: City Clerk
75 Rowland Way, Suite 200
Novato, CA

space above this line for recorder's use

ASSIGNMENT AND ASSUMPTION AGREEMENT

(Marin Valley Mobile Country Club)

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Agreement**") is made as of this 7th day of March, 2010, by and between THE NOVATO FINANCING AUTHORITY, (the "**Assignor**"), and THE CITY OF NOVATO, a California Municipal Corporation (the "**Assignee**"). This Agreement is hereby deemed to be effective by the parties hereto as of the date of recordation of the Grant Deed transferring title to the Project (as defined below) from the Assignor to the Assignee (the "**Grant Deed Recordation Date**").

WHEREAS, on October 15, 1996, the City of Novato ("**City**") and the Redevelopment Agency of the City of Novato ("**Agency**") entered into a Joint Exercise of Powers Agreement to assist in financing the acquisition, operation and maintenance of mobilehome parks in the City of Novato (the JPA Agreement); and

WHEREAS, pursuant to the terms of the JPA Agreement, the Assignor was formed as the agency and entity to administer and execute the JPA Agreement; and

WHEREAS, the Assignor financed, in part, the acquisition of that certain real property and related improvements commonly known as the "Marin Valley Mobile Country Club" as more particularly described in Exhibit A, attached hereto and incorporated herein by reference (the "**Project**") from a loan (the "**Loan**") and subordinate loan (the "**Subordinate Loan**") made by the California Local Government Finance Authority (the "**Issuer**") from the proceeds of those certain Senior Revenue Bonds, Series 1997A (Marin Valley Mobile Country Club Park Acquisition Project) (the "Senior Bonds") and the Subordinate Revenue Bonds, Series 1997B (Marin Valley Mobile Country Club Park Acquisition Project) (the Subordinate Bonds, and together with the Senior Bonds, the "**Bonds**). The Bonds were issued pursuant to the terms of that certain Trust Indenture, dated as of March 1, 1997 (the "**Indenture**"), by and between the Issuer and First Trust of California, National Association, as succeeded by U.s. Bank National Association, as trustee (the "**Trustee**"); and

WHEREAS, (i) the Bonds were issued, and (ii) the Loans were made to the Assignor, In connection therewith, the Assignor entered into certain documents, collectively defined in said Agreements as the Mortgage Loan Documents including, but not limited to, those listed on Exhibit B attached hereto. The documents listed on Exhibit B are herein called the "**Assumed Documents**"; and

WHEREAS, the Subordinate Bonds were secured by a Housing Assistance Pledge Agreement and Declaration of Restrictive Covenants dated as of March 1, 1997 (the "**Pledge Agreement**") whereby by the **Agency** pledged funds to secure the repayment of the Subordinate Bonds. Said Subordinate Bonds were paid in full on October 1, 2009 and the pledge of the **Agency** was thereby released without ever having been called upon. The **Agency's** involvement in the Project was limited to said pledge and no **Agency** funds of any nature whatsoever have ever been contributed to the Project. Based thereon, the Agency's interest and involvement in the Project is no longer necessary or desirable to the ongoing operation of the Project, repayment of the Bonds or performance under the Assumed Documents.

WHEREAS, the Assignee desires to acquire and the Assignor desires to sell, convey, and transfer to the Assignee, the Assignor's entire ownership interest in the Project, which sale, conveyance, and transfer requires the assumption by the Assignee of the rights, duties, and obligations of the Assignor under the Assumed Documents relating to the period from and after the Grant Deed Recordation Date; and

WHEREAS, the Assignee is willing to assume such obligations under the Assumed Documents; and

WHEREAS, pursuant to Section 5.01 that certain Loan Agreement, dated as of March 1, 1997, by and between the Issuer and the Assignor (the "**Loan Agreement**"), the Project may not be transferred without the written consent of Assured Guarantee, as successor in interest to Financial Security, provided that Assured Guarantee and the Trustee have received an opinion of Bond Counsel that interest on the Bonds will continue to be excluded from gross income for federal tax purposes after such transfer; and

WHEREAS, the Assured Guaranty Municipal Corp., as successor to Financial Security Assurance Inc. as the insurer of the Senior Bonds, in accordance with the Assumed Documents, is willing, by execution of the Consent Certificate attached to this Agreement as Exhibit C, to consent to (i) the sale, conveyance, and transfer of the Project to the Assignee and (ii) the Assignee's assumption of all obligations of the Assignor under the Assumed Documents as set forth herein; and

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Recitals and Definitions. The recitals set forth above are true and accurate and are incorporated herein by reference. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Assumed Documents.

2. Assignment and Assumption. The Assignor hereby assigns to the Assignee all of the Assignor's right, title, and interest under the Assumed Documents, and the Assignee hereby accepts and unconditionally assumes in full all of the duties, agreements, and obligations of the Assignor under the Assumed Documents required to be performed from and after the Grant Deed Recordation Date, which assumption shall be effective upon the Grant Deed Recordation Date (other than indemnification obligations with respect to acts or omissions occurring prior to the Grand Deed Recordation Date).

3. Release. Without limiting any release provided by Assignee to Assignor pursuant to the Purchase Agreement, the parties hereto agree that the Assignor shall be released from all liability in connection with the Assumed Documents, except as provided in Section 6 below and except for obligations of the Assignor contained in any of the Assumed Documents that were required to be performed prior to the Grant Deed Recordation Date and that, by the terms of such Assumed Documents, unless otherwise agreed to by the parties thereto, shall survive a transfer of the Project. The parties hereto acknowledge and agree that, notwithstanding its execution and delivery of the Consent Certificate, attached hereto, Assured Guarantee does not waive any of the provisions of the Assumed Documents (except as the same shall be modified and amended in connection herewith), and all of the terms, conditions, and provisions of the Assumed Documents shall remain in full force and effect, except as the same may be explicitly modified or amended in connection herewith.

4. Representation and Warranty. The Assignee hereby represents, warrants, and covenants that it has executed that certain Assignment and Release Agreement by and between Assignor, Assignee, and Lender and hereby represents, warrants, and covenants that it has unconditionally assumed in full all of the duties, agreements, and obligations of the Assignor under the existing Lender loan documents relating to the Bonds and/or the Property required to be performed from and after the Grant Deed Recordation Date, which assumption shall be effective upon the Grant Deed Recordation Date.

5. References to Borrower and Reimbursement Agreement. The parties hereby agree that from and after the Grant Deed Recordation Date (i) all references to the "Owner" in the Mortgage Loan Documents (as defined in the Indenture) shall mean and refer to Assignee.

6. Release of Indemnity; Assumption of Assignee. The parties hereto agree that as of the Grant Deed Recordation Date, the Assignor shall be released from its obligation to provide indemnity, based upon, pertaining or due to, or arising with respect to any act or omission occurring on and after the Grant Deed Recordation Date, under the Assumed Documents. The Assignee hereby agrees to assume the obligations of the Assignor to provide indemnity, based upon, pertaining or due to, or arising with respect to any act or omission occurring on and after the Grant Deed Recordation Date, under the Assumed Documents.

7. Notice. All correspondence and notices given or required to be given to the Assignor under the Assumed Documents, from and after the Grant Deed Recordation Date, shall be provided to the Assignee and shall be addressed as follows:

Assignee: City of Novato
75 Rowland Way
Suite 200
Novato, California 94945
Attention: City Clerk
Telephone: 415-899-8900
Facsimile: 415-899-8213

With a copy to: Walter and Pistole
670 W. Napa Street, Suite F
Sonoma, California 95476
Attention: Veronica A. F. Nebb
Telephone: 707-996-9690
Facsimile: 707-996-9603

8. Successors and Assigns. This Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective successors and assigns.

9. Counterparts. This Agreement may be executed in multiple counterparts, all of which, when taken together, shall be deemed an original upon execution.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

Dated: March 7, 2011

"ASSIGNOR"

NOVATO PUBLIC FINANCE AUTHORITY

By: _____
Jeanne MacLeamy, Chair

"ASSIGNEE"

CITY OF NOVATO, a Municipal Corporation

By: _____
Madeline Kelner, Mayor

Oberkamper & Associates
Civil Engineers, Inc.

October 16, 1996
Job No. 94-106

EXHIBIT A

LEGAL DESCRIPTION
PARCEL 1

COMMENCING FOR REFERENCE at a found open 2-inch iron pipe accepted as that monument shown on Record of Survey filed July 10, 1969 in Book 8 of Surveys at Page 57, Marin County Records, as being the corner common to the Rancho San Jose and the Rancho San Pedro Santa Margarita y Las Gallinas, said point also being designated "S.J.1", as the same is shown upon that certain plat entitled "Plat of Rancho San Jose, July 1858", filed for record in Book A of Patents on Page 1, Marin County Records; said point being the northwest corner of Survey No. 5 in Township 2 North, Range 6 West, Mount Diablo Meridian;

thence along the boundary of said Rancho San Jose and the westerly line of said 8 O.S. 57, North 31°38'57" West, 141.51 feet to the TRUE POINT OF BEGINNING;

thence leaving said Rancho boundary and said westerly line of 8 O.S. 57, North 58°21'03" East, 56.66 feet; thence North 32°44'43" West, 112.90 feet; thence South 56°52'57" West, 27.67 feet; thence North 36°18'57" West, 329.96 feet to a point on said aforementioned Rancho San Jose boundary and said westerly line of 8 O.S. 57;

thence along said Rancho boundary and said westerly line of 8 O.S. 57, North 31°38'57" West , 257.55 feet;

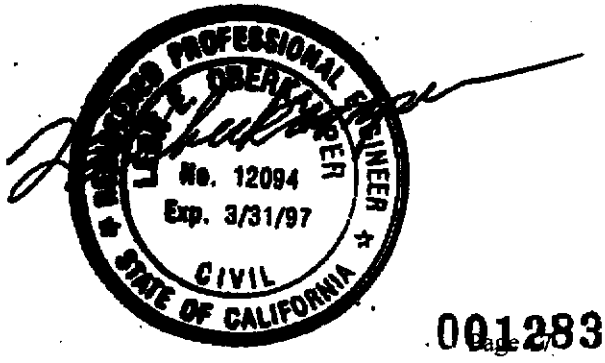
thence leaving said Rancho boundary and said westerly line of 8 O.S. 57, North 12°57'17" West, 443.49 feet to a point on said Rancho boundary and said westerly line of 8 O.S. 57 and which is a found, 3-inch brass capped monument, accepted as that monument shown on said 8 O.S. 57 and on that survey filed February 26, 1973 in Book 11 of Surveys at Page 70, Marin County Records and being the northeast corner thereof;

thence leaving said Rancho boundary and said westerly line of 8 O.S. 57, along the North line of said 11 O.S. 70, North 74°45'51" West, 2061.07 feet; thence leaving said North line of 11 O.S. 70, South 28°17'33" West, 307.47 feet; thence South 31°34'45" East, 176.63 feet; thence South 11°14'44" West, 299.74 feet; thence South 25°35'52" West, 22.40 feet; thence South 35°06'40" West 174.62 feet; thence North 21°35'02" West, 60.08 feet to the beginning of a 100.00 foot radius, tangent curve to the right; thence along said curve, through a central angle of 45°39'21", an arc distance of 79.68 feet; thence North 24°04'19" East, 95.85 feet to the beginning of a 200.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 68°23'02", an arc distance of 238.70 feet; thence North 44°18'43" West, 377.64 feet to the beginning of a 275.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 56°50'36", an arc distance of 272.83 feet to the point of reverse curvature of a 375.00 foot radius, tangent curve to the right; thence along said curve, through a central angle of

56°44'18", an arc distance of 371.35 feet, to the point of compound curvature of a 175.00 foot radius, tangent curve to the right; thence along said compound curve, through a central angle of 25°31'51", an arc distance of 77.98 feet to a point bearing South 6°18'59" East, 215.67 feet from the most northerly corner of that certain parcel of land granted to the City of Novato by deed recorded September 11, 1968 in Book 2239 of Official Records at Page 176, Marin County Records;

thence South 71°06'50" West, 100.00 feet to the beginning of a 275.00 foot radius, non-tangent curve, the radius point of which bears North 71°06'50" East; thence southeasterly along said curve, through a central angle of 25°31'51", an arc distance of 122.54 feet to the point of compound curvature of a 475.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 56°44'18", an arc distance of 470.38 feet to the point of reverse curvature of a 175.00 foot radius, tangent curve to the right; thence along said curve, through a central angle of 56°50'36", an arc distance of 173.62 feet; thence South 44°18'43" East, 377.64 feet to the beginning of a 100.00 foot radius, tangent curve to the right; thence along said curve, through a central angle of 68°23'02", an arc distance of 119.35 feet; thence South 24°04'19" West, 95.85 feet to the beginning of a 200.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 45°39'21", an arc distance of 159.37 feet; thence South 21°35'02" East, 196.43 feet, to the beginning of a 140.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 82°00'37", an arc distance of 200.39 feet; thence South 61°58'24" East, 168.41 feet; thence North 46°47'31" East, 307.04 feet; thence North 22°43'48" East, 306.30 feet; thence North 88°49'28" East, 208.66 feet; thence North 73°09'47" East, 534.21 feet; thence South 30°31'33" East, 50.00 feet; thence South 59°28'27" West, 360.08 feet; thence South 49°17'13" West, 154.78 feet; thence South 40°34'04" East, 363.14 feet; thence North 45°42'44" East, 372.01 feet; thence North 76°56'09" East, 148.75 feet; thence South 63°52'01" East, 28.35 feet; thence South 26°07'59" West, 237.85 feet; thence South 74°20'31" West, 205.01 feet; thence South 8°31'26" West, 107.69 feet; thence South 53°07'25" West, 214.67 feet; thence South 68°43'49" West, 279.73 feet; thence South 41°06'02" West, 223.36 feet; thence South 35°40'28" East, 139.99 feet; thence South 76°17'06" East, 318.47 feet; thence North 80°54'38" East, 85.65 feet; thence North 72°36'03" East, 330.41 feet; thence North 82°11'38" East, 370.72 feet; thence South 74°25'36" East, 456.94 feet; thence North 58°21'03 East, 439.01 feet to the TRUE POINT OF BEGINNING and containing 63.00 acres, more or less.

DPH:BFL



Oberkamper & Associates
Civil Engineers, Inc.

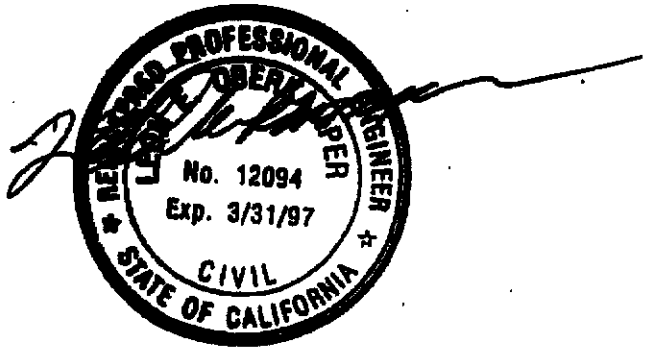
October 16, 1996
Job No. 94-106

EXHIBIT B

LEGAL DESCRIPTION
PARCEL 2

COMMENCING FOR REFERENCE at the most northerly corner of that certain parcel of land granted to the City of Novato by deed recorded September 11, 1968 in Book 2239 of Official Records at Page 176, Marin County Records and the beginning of a 126.00 foot radius curve, the radius point of which bears North 85°48'12" East; thence along the exterior line of said 2239 OR 176 the following courses and distances: southerly along said curve, through a central angle of 4°30'46", an arc distance of 9.92 feet to the point of compound curvature of a 33.19 foot radius, tangent curve to the left; thence along said curve, through a central angle of 49°21'16", an arc distance of 28.59 feet to the point of reverse curvature of a 50.00 foot radius, tangent curve to the right, and thence along said curve, through a central angle of 111°56'04", an arc distance of 97.68 feet to the TRUE POINT OF BEGINNING, being the North end point of a 175.00 foot radius curve, the radius point of which bears South 76°08'44" East; thence leaving said exterior line of 2239 O.R. 176, southerly along said curve, through a central angle of 32°44'26", an arc distance of 100.00 feet; thence South 71°06'50" West, 100.00 feet to the beginning of a 275.00 foot radius curve, the radius point of which bears North 71°06'50" East; thence northerly along said curve, through a central angle of 30°41'42", an arc distance of 147.33 feet to a point on the easterly line of that land granted to the State of California by deed recorded February 3, 1961 in Book 1433 of Official Records at Page 353, Marin County Records; thence along said easterly line, North 23°07'24" East, 1.33 feet to a point on said exterior line of 2239 O.R. 176; thence leaving said easterly line of 1433 O.R. 353, along said exterior line of 2239 O.R. 176, South 66°52'36" East, 53.97 feet to the beginning of a 50.00 foot radius, tangent curve to the left, and thence along said curve, through a central angle of 59°15'10", an arc distance of 51.71 feet to the TRUE POINT OF BEGINNING and containing 0.27 acres, more or less.

DPH:BFL



Oberkamper & Associates
Civil Engineers, Inc.

October 16, 1996
Job No. 94-106

EXHIBIT C

LEGAL DESCRIPTION
PARCEL 3

COMMENCING FOR REFERENCE at a found open 2-inch iron pipe accepted as that monument shown on Record of Survey filed July 10, 1969 in Book 8 of Surveys at Page 57, Marin County Records, as being the corner common to the Rancho San Jose and the Rancho San Pedro Santa Margarita y Las Gallinas, said point also being designated "S.J.1", as the same is shown upon that certain plat entitled "Plat of Rancho San Jose, July 1858", filed for record in Book A of Patents on Page 1, Marin County Records; said point being the northwest corner of Survey No. 5 in Township 2 North, Range 6 West, Mount Diablo Meridian;

thence along the boundary of said Rancho San Jose and the westerly line of said 8 O.S. 57, North 31°38'57" West, 141.51 feet; thence leaving said Rancho boundary and said westerly line of 8 O.S. 57, North 58°21'03" East, 56.66 feet; thence North 32°44'43" West, 112.90 feet to the TRUE POINT OF BEGINNING;

thence North 56°52'57" East, 39.54 feet to the beginning of a 45.59 foot radius, tangent curve to the left; thence along said curve, through a central angle of 222°19'36", an arc distance of 176.90 feet; thence South 14°33'21" West, 52.70 feet; thence South 36°18'57" East, 43.88 feet; thence North 56°52'57" East, 27.67 feet to the TRUE POINT OF BEGINNING and containing 0.19 acres, more or less.

DPH:BFL

REGISTERED PROFESSIONAL ENGINEER
DAVID P. OBERKAMPER
No. 12094
Exp. 3/31/97
CIVIL
STATE OF CALIFORNIA

D:\WPwin\DPH\LGLDSC\PCL3_94-106

001283

EXHIBIT D

LEGAL DESCRIPTION
PARCEL 4

A 20-FOOT WIDE STRIP OF LAND lying 10 feet either side of the following described line:

COMMENCING FOR REFERENCE at a found open 2-inch iron pipe accepted as that monument shown on Record of Survey filed July 10, 1969 in Book 8 of Surveys at Page 57, Marin County Records, as being the corner common to the Rancho San Jose and the Rancho San Pedro Santa Margarita y Las Gallinas, said point also being designated "S.J.1", as the same is shown upon that certain plat entitled "Plat of Rancho San Jose, July 1858", filed for record in Book A of Patents on Page 1, Marin County Records; said point being the northwest corner of Survey No. 5 in Township 2 North, Range 6 West, Mount Diablo Meridian;

thence along the boundary of said Rancho San Jose and the westerly line of said 8 O.S. 57, North 31°38'57" West, 687.55 feet to the TRUE POINT OF BEGINNING, said point being on the approximate centerline of an existing drainage ditch; thence along said approximate ditch centerline North 78°33'04" East, 493.10 feet to a point on the westerly right of way line of the Northwestern Pacific Railroad Company, a California corporation, as described by deed recorded May 15, 1908 in Book 114 of Deeds at Page 376, Marin County Records.

The sidelines of this easement shall be lengthened or shortened to intersect said westerly line of 8 O.S. 57 and said westerly right of way line of 114 Deeds 376.

DPH:BFL

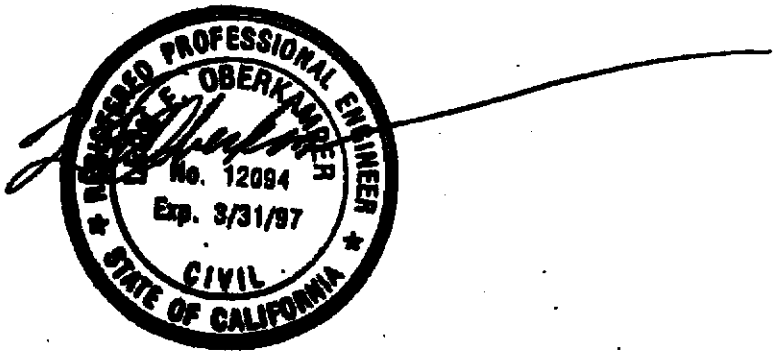


EXHIBIT B

Assumed Documents

1. Trust Indenture, dated as of March 1, 1997 (the "Indenture"), by and between CLFGA and the Trustee.

2. Loan Agreement, dated as of March 1, 1997 (the "Loan Agreement"), by and among CLFGA, the Assignor and the PAC.

3. The Notes executed by the Assignor.

4. Housing Assistance Pledge Agreement and Declaration of Restrictive Covenants, dated as of March 1, 1997, by and among the Agency, the PAC and the Assignor.

5. Marin Valley Mobile Country Club Park Delegation Agreement, dated as of March 1, 1997, by and between the Assignor and the PAC.

6. Management Agreement, dated as of _____, by and between the PAC and Frei Management Services.

7. In-Lieu of Tax Agreement dated as of March 1, 1997, by and among the Assignee, the PAC and the Assignor.

8. Capital Improvements Agreement, dated March 13, 1997 and executed by the Assignor and the PAC.

9. Insurance and Indemnity Agreement, dated as of March 1, 1997, by and among Financial Security, the PAC and the Assignor.

10. Indemnity Agreement, dated as of March 1, 1997, by and among Financial Security, the PAC and the Assignor.

11. Deed of Trust with Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of March 1, 1997 (the "Mortgage"), by and among the Assignor, the Trustee and Consolidated Title Services Inc.

EXHIBIT C

CONSENT

Unless expressly defined herein, all capitalized terms used in this Consent (the "**Consent Certificate**") shall have the meanings ascribed to them in the Assignment and Assumption Agreement dated as of March 7, 2011 (the "**Agreement**"), by and between by and between The Novato Public Finance Authority (the "**Assignor**"), and The City of Novato, a Municipal Corporation (the "**Assignee**"), to which Agreement this Consent Certificate is attached. The undersigned hereby consents to the transfer of the Project to the Assignee, and the assignment and assumption of certain obligations and the release of the Assignor from its obligations under the Assumed Documents, including, without limitation, its respective indemnification obligations, as and only to the extent set forth in Sections 3 and 6 of the Agreement. The undersigned further and hereby acknowledges, consents and certifies as follows:

(i) The Assumed Documents (as defined and set forth in Exhibit B to the Agreement) are in full force and effect and there has been no amendment, modification, supplement, modification or assignment of the Assumed Documents of any kind except as listed on said Exhibit B.

(ii) All amounts payable under the Assumed Documents and the Indenture to the Issuer have been paid in full through the date hereof.

(iii) To the best knowledge of the Assured Guarantee, the Assignor is not in default under the Assumed Documents and has not breached the Assumed Documents in the performance of any covenant or obligation thereunder; the Issuer has not given any notice to the Assignor of any default under the Assumed Documents which has not been cured; and the Issuer is not aware of any circumstance that presently exists which, with the giving of notice or the passage of time or both, would give rise to a default by the Assignor under the Assumed Documents.

(iv) The person executing this Consent Certificate is duly authorized and empowered in all respects to do so on behalf of the Issuer, and the foregoing may be relied upon by the Assignor, the Assignee, the Lender, the Trustee and their respective successors and assigns.

Dated: April 18, 2007

ASSURED GUARANTEE

By:_____
Chief Executive Officer

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, 200_, before me, the undersigned, a Notary Public in and for said County and State, personally appeared
_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.

_____
Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, 200_, before me, the undersigned, a Notary Public in and for said County and State, personally appeared
_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.

_____
Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, 200_, before me, the undersigned, a Notary Public in and for said County and State, personally appeared
_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.

_____
Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, 200_, before me, the undersigned, a Notary Public in and for said County and State, personally appeared
_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.

_____
Notary Public

March 3, 2011

Assured Guaranty Municipal Corp.
New York, NY

Novato Financing Authority
Novato, CA

City of Novato
Novato, CA

U.S. Bank National Association, as trustee
San Francisco, CA

$15,485,000
California Local Government Financing Authority
Senior Revenue Bonds, Series 1997
(Marin Valley Mobile Country Club Park Acquisition Project)

Ladies and Gentlemen:

You have requested our opinion whether the proposed transactions described herein relating to the Marin Valley Mobile Country Club Park (the "Project") located in the City of Novato, California (the "City") will adversely affect the exclusion from gross income for federal income tax purposes of interest on the Senior Revenue Bonds, Series 1997 (Marin Valley Mobile Country Club Park Acquisition Project) issued in the original aggregate principal amount of $15,485,000 (the "Bonds") issued by the California Local Government Finance Authority (the "Issuer") for the purpose of providing financing to the Novato Financing Authority (the "Authority"), a joint exercise of powers authority, to acquire the Project. On the date of delivery of the bonds, Kutak Rock, as bond counsel, delivered its opinion to the effect that, subject to certain limitations, interest on the Bonds was excludable from gross income for federal income tax purposes. Except as otherwise provided herein, we have undertaken no examination of, and express no opinion as to, any matters prior to the date hereof. We have assumed the correctness of the bond counsel opinion delivered on the date of delivery of the Bonds without any investigation with respect thereto. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture hereinafter described.

Assured Guaranty Municipal Corp.
Novato Financing Authority
City of Novato
U.S. Bank National Association

The Issuer issued the Bonds pursuant to a Trust Indenture, dated as of March 1, 1997 (the "Indenture"), between the Issuer and First Trust of California, National Association, now known as U.S. Bank National Association, as trustee (the "Trustee"). The proceeds of the Bonds were loaned to the Authority pursuant to a Loan Agreement, dated as of March 1, 1997 among the Issuer, the Authority and the Park Acquisition Corporation of Marin Valley Mobile Country Club (the "PAC"). In connection with the issuance of the Bonds and the execution of the Loan Agreement, the Authority also entered into the Mortgage Loan Documents (which include the Indenture and the Loan Agreement).

On the date hereof, the Authority is transferring title to the Project to the City, and the City and the Authority are entering into the Assignment and Assumption dated as of March __, 2011 (the "Assignment") pursuant to which the Authority is assigning to the City, and the City is assuming, all of the Authority's rights, duties and obligations under the Mortgage Loan Documents.

No terms of the Bonds (including, without limitation, the amount, computation, or date for any payment of principal and interest) or the security therefor, except for the assumption of the obligations of the Authority by the City pursuant to the Assignment, are to be modified, and no terms of the Indenture and the Mortgage Loan Documents are being modified.

In connection with the delivery of this opinion, we have examined copies of the agreements described above, the resolutions adopted by the Authority and the City on March __, 2011 approving the transfer of the Project (the "Resolution") and such other documents as we have considered necessary for purposes of this opinion. We have assumed the authenticity, completeness, and correctness of all such copies, and the due execution and validity of all originals thereof.

We have assumed compliance by the Issuer and the Authority with their respective covenants to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds, all as set forth in the documents and proceedings providing for the issuance of and security for the Bonds (the "Covenants").

Based on the foregoing and subject to the limitations described above, we are of the opinion that, under existing law, the transfer of the Project by the Authority to the City pursuant to the terms of the Assignment. will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. Further, we are of the opinion that, assuming prior compliance by the Authority with the Covenants, and continuing compliance with the Covenants by the City, under existing law, interest on the Bonds will continue to be excluded from gross income for federal tax purposes.

We express no opinion as to the federal tax consequences of ownership of, or receipt or accrual of interest on the Bonds. Other than those documents described in this opinion, we have not investigated any matters that could affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. This opinion is solely for your benefit. It may not be distributed, relied upon by any other person, quoted in whole or in part, otherwise reproduced in any document, or filed with any governmental agency without our prior written consent. Finally, we do not undertake to advise you of any changes in the opinion expressed herein resulting from matters that might hereafter be brought to our attention.

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NOVATO FINANCING AUTHORITY APPROVING AN ASSIGNMENT AND ASSUMPTION AGREEMENT REGARDING THE PROPOSED TRANSFER OF ALL REAL PROPERTY HELD BY THE NOVATO FINANCING AUTHORITY TO THE CITY OF NOVATO

WHEREAS, the Novato Financing Authority ("NFA") is a joint powers agency formed between the City of Novato and the Redevelopment Agency of the City of Novato; and

WHEREAS, the City of Novato ("City") is a general law city and municipal corporation; and

WHEREAS, the Redevelopment Agency of the City of Novato ("RDA") is a redevelopment agency formed, existing, and exercising its powers pursuant to California Redevelopment Law, Health and Safety Codes Section 33000 *et seq*; and

WHEREAS, the NFA was formed in 1996 in order to act as an ownership entity for the purchase of the Marin Valley Mobile Country Club (MVMCC) mobile home park to protect the senior affordable housing offered at the park; and

WHEREAS, the formation of the NFA allowed the City to purchase the MVMCC through a tax exempt bond financing without risking general fund revenues. Bond financing was secured, including senior and subordinate bonds. The RDA's involvement was limited to an agency guarantee to secure the subordinate bonds. This financial guarantee of the bonds was never exercised since the rent revenue from MVMCC was always sufficient to pay the bond debt. The subordinate bonds were paid off in 2010. As such the RDA never funded any funds on the NFA owned assets at MVMCC; and

WHEREAS, the state of California is contemplating the adoption of its Fiscal Year 2011/2010 budget, which includes a proposal to eliminate the 425 redevelopment agencies currently operating in California; and

WHEREAS, there is concern that the real property assets held by the Novato Financing Authority, a joint powers agency formed by the RDA and the City, could be exposed to forced disposition if the RDA were abolished; and

WHEREAS, if the NFA were forced to liquidate its interest in MVMCC it would have a devastating impact on the affordability of the mobile home units at the mobile home park. Specifically, the MVMCC property could be acquired by a private entity that would be unrestrained from raising rents in the park, potentially leading to the displacement of low-income seniors; and

WHEREAS, the Board of Directors of the NFA has been requested to transfer NFA's real property assets to the City; and

WHEREAS, the Board of Directors of the NFA is requested to approve an assignment and assumption agreement whereby the NFA would assign all of its obligations of with respect to the MVMCC Mortgage Loan Documents to the City of Novato, thus ensuring the continued compliance with the mortgage loan documents and any other obligations of the NFA once the MVMCC is transferred to the City of Novato; and

WHEREAS, a copy of the proposed assignment and assumption agreement is attached hereto as Exhibit "A."; and

WHEREAS, the proposed property transfers are intended to ensure that the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to ensure use of these assets in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC mortgage loan documents; and

WHEREAS, the original purchase of the MVMCC property, including the bond financing, could have been effected by the City at any time. In addition, the NFA Joint Powers Agreement provides for the assets to be transferred among the members of the Joint Powers Agency without regard to compensation; and

WHEREAS, significant staff and related financial support for the ownership of the MVMCC by the NFA has come from the City since the MVMCC was purchased in 1997; and

WHEREAS, the transfer of the MVMCC to the City of Novato will avoid costly litigation, which would be paid for by park proceeds that would likely ensue over any attempted forced transfer, or joint ownership of the MVMCC; and

WHEREAS, the City's bond counsel has issued an opinion that the interest payments on the bonds related to the MVMCC would remain tax exempt following the proposed transfer; and

WHEREAS, the RDA, by separate resolution, has consented to the proposed transfer of real property assets to the City of Novato; and

WHEREAS, the proposed transfer of the real property held by the NFA to the City of Novato is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) by the general rule that CEQA applies only to projects that have the potential to cause significant effects on the environment. The proposed property transfers would not result in significant effects on the environment since the transfers do not: 1) contemplate any physical development proposals; 2) propose or result in any changes to existing land use limitations or development intensity; 3) alter or otherwise extinguish existing development restrictions

applicable to the property; or 4) alter or otherwise extinguish any other city approved and currently valid development entitlement or building permit. No new or differing actual development or physical improvements are contemplated; and

WHEREAS, a public meeting of the Board of Directors of the NFA with respect to the proposed property transfer and assignment and assumption agreement was duly held in accordance with applicable law; and

WHEREAS, the Novato Planning Commission considered the proposed property transfer and, by separate resolution, reported the transfer to be consistent with the Novato General Plan; and

WHEREAS, the Board of Directors of the NFA has considered all of the information, testimony, and evidence presented at the meeting concerning the proposed property transfers and assignment and assumption agreement; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Novato Financing Authority does hereby resolve as follows:

Section 1: The foregoing recitals are true and correct and incorporated herein.

Section 2: The Novato Financing Authority hereby determines as follows:

A. The formation of the NFA allowed the City to purchase the MVMCC through tax exempt bond financing without risking general fund revenues. Bond financing was issued including senior and subordinate bonds. The RDA's investment was limited to an Agency pledge to secure the subordinate bonds. The financial guarantee of the RDA was never exercised since rent revenue from MVMCC was always sufficient to pay the bonds. The subordinate bonds were paid off in 2010. As such, the RDA never expended any funds on the NFA owned assets at MVMCC.

B. The proposed transfer will to ensure the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to assure use of these assets in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC mortgage loan documents.

C. The assignment of NFA's obligations with respect to the MVMCC Mortgage Loan Documents to the City of Novato would ensure the continued compliance with the mortgage loan documents and any other obligations of the NFA once the MVMCC is transferred to the City of Novato.

D. The City's bond counsel has issued an opinion that the interest payments on the bonds tied to the MVMCC would remain tax exempt following the proposed transfer.

E. The RDA, by separate resolution, has consented to the proposed transfer of NFA's real property assets to the City of Novato.

Section 3: The proposed transfer of the real property held by the NFA to the City of Novato is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) by the general rule that CEQA applies only to projects that have the potential to cause significant effects on the environment. The proposed property transfers would not result in significant effects on the environment since the transfers do not: 1) contemplate any new development proposals; 2) propose or result in any changes to existing land use limitations or development intensity; 3) alter or otherwise extinguish existing development restrictions applicable to the property; or 4) alter or otherwise conflict with any other city approved and currently valid development entitlement or building permit. No new or differing actual development or physical improvements are contemplated.

Section 4: By adoption of this resolution, the Board of Directors of the Novato Financing Authority hereby approves the assignment and assumption agreement, as more precisely described in Exhibit "A" attached hereto, thereby assigning all of the NFA's obligations with respect to the MVMCC to the City of Novato.

Section 5: By adoption of this resolution, the Board of Directors of the Novato Financing Authority does hereby authorize the Chair of the Board of Directors to execute the assignment and assumption agreement.

* * * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Novato, Marin County, California, at a meeting thereof, held on the ____ day of _____, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Chair, Novato Financing Authority

Attest:

_____
Secretary/Treasurer
Novato Financing Authority

RECORDING REQUESTED BY AND WHEN
RECORDED RETURN TO:

City of Novato
Attn: City Clerk
75 Rowland Way, Suite 200
Novato, CA

space above this line for recorder's use

ASSIGNMENT AND ASSUMPTION AGREEMENT

(Marin Valley Mobile Country Club)

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "**Agreement**") is made as of this 7th day of March, 2010, by and between THE NOVATO FINANCING AUTHORITY, (the "**Assignor**"), and THE CITY OF NOVATO, a California Municipal Corporation (the "**Assignee**"). This Agreement is hereby deemed to be effective by the parties hereto as of the date of recordation of the Grant Deed transferring title to the Project (as defined below) from the Assignor to the Assignee (the "**Grant Deed Recordation Date**").

WHEREAS, on October 15, 1996, the City of Novato ("**City**") and the Redevelopment Agency of the City of Novato ("**Agency**") entered into a Joint Exercise of Powers Agreement to assist in financing the acquisition, operation and maintenance of mobilehome parks in the City of Novato (the JPA Agreement); and

WHEREAS, pursuant to the terms of the JPA Agreement, the Assignor was formed as the agency and entity to administer and execute the JPA Agreement; and

WHEREAS, the Assignor financed, in part, the acquisition of that certain real property and related improvements commonly known as the "Marin Valley Mobile Country Club" as more particularly described in Exhibit A, attached hereto and incorporated herein by reference (the "**Project**") from a loan (the "**Loan**") and subordinate loan (the "**Subordinate Loan**") made by the California Local Government Finance Authority (the "**Issuer**") from the proceeds of those certain Senior Revenue Bonds, Series 1997A (Marin Valley Mobile Country Club Park Acquisition Project) (the "Senior Bonds") and the Subordinate Revenue Bonds, Series 1997B (Marin Valley Mobile Country Club Park Acquisition Project) (the Subordinate Bonds, and together with the Senior Bonds, the "**Bonds)**. The Bonds were issued pursuant to the terms of that certain Trust Indenture, dated as of March 1, 1997 (the "**Indenture**"), by and between the Issuer and First Trust of California, National Association, as succeeded by U.s. Bank National Association, as trustee (the "**Trustee**"); and

WHEREAS, (i) the Bonds were issued, and (ii) the Loans were made to the Assignor, In connection therewith, the Assignor entered into certain documents, collectively defined in said Agreements as the Mortgage Loan Documents including, but not limited to, those listed on Exhibit B attached hereto. The documents listed on Exhibit B are herein called the "**Assumed Documents**"; and

WHEREAS, the Subordinate Bonds were secured by a Housing Assistance Pledge Agreement and Declaration of Restrictive Covenants dated as of March 1, 1997 (the "**Pledge Agreement**") whereby by the **Agency** pledged funds to secure the repayment of the Subordinate Bonds. Said Subordinate Bonds were paid in full on October 1, 2009 and the pledge of the **Agency** was thereby released without ever having been called upon. The **Agency's** involvement in the Project was limited to said pledge and no **Agency** funds of any nature whatsoever have ever been contributed to the Project. Based thereon, the Agency's interest and involvement in the Project is no longer necessary or desirable to the ongoing operation of the Project, repayment of the Bonds or performance under the Assumed Documents.

WHEREAS, the Assignee desires to acquire and the Assignor desires to sell, convey, and transfer to the Assignee, the Assignor's entire ownership interest in the Project, which sale, conveyance, and transfer requires the assumption by the Assignee of the rights, duties, and obligations of the Assignor under the Assumed Documents relating to the period from and after the Grant Deed Recordation Date; and

WHEREAS, the Assignee is willing to assume such obligations under the Assumed Documents; and

WHEREAS, pursuant to Section 5.01 that certain Loan Agreement, dated as of March 1, 1997, by and between the Issuer and the Assignor (the "**Loan Agreement**"), the Project may not be transferred without the written consent of Assured Guarantee, as successor in interest to Financial Security, provided that Assured Guarantee and the Trustee have received an opinion of Bond Counsel that interest on the Bonds will continue to be excluded from gross income for federal tax purposes after such transfer; and

WHEREAS, the Assured Guaranty Municipal Corp., as successor to Financial Security Assurance Inc. as the insurer of the Senior Bonds, in accordance with the Assumed Documents, is willing, by execution of the Consent Certificate attached to this Agreement as Exhibit C, to consent to (i) the sale, conveyance, and transfer of the Project to the Assignee and (ii) the Assignee's assumption of all obligations of the Assignor under the Assumed Documents as set forth herein; and

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Recitals and Definitions. The recitals set forth above are true and accurate and are incorporated herein by reference. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Assumed Documents.

2. Assignment and Assumption. The Assignor hereby assigns to the Assignee all of the Assignor's right, title, and interest under the Assumed Documents, and the Assignee hereby accepts and unconditionally assumes in full all of the duties, agreements, and obligations of the Assignor under the Assumed Documents required to be performed from and after the Grant Deed Recordation Date, which assumption shall be effective upon the Grant Deed Recordation Date (other than indemnification obligations with respect to acts or omissions occurring prior to the Grand Deed Recordation Date).

3. Release. Without limiting any release provided by Assignee to Assignor pursuant to the Purchase Agreement, the parties hereto agree that the Assignor shall be released from all liability in connection with the Assumed Documents, except as provided in Section 6 below and except for obligations of the Assignor contained in any of the Assumed Documents that were required to be performed prior to the Grant Deed Recordation Date and that, by the terms of such Assumed Documents, unless otherwise agreed to by the parties thereto, shall survive a transfer of the Project. The parties hereto acknowledge and agree that, notwithstanding its execution and delivery of the Consent Certificate, attached hereto, Assured Guarantee does not waive any of the provisions of the Assumed Documents (except as the same shall be modified and amended in connection herewith), and all of the terms, conditions, and provisions of the Assumed Documents shall remain in full force and effect, except as the same may be explicitly modified or amended in connection herewith.

4. Representation and Warranty. The Assignee hereby represents, warrants, and covenants that it has executed that certain Assignment and Release Agreement by and between Assignor, Assignee, and Lender and hereby represents, warrants, and covenants that it has unconditionally assumed in full all of the duties, agreements, and obligations of the Assignor under the existing Lender loan documents relating to the Bonds and/or the Property required to be performed from and after the Grant Deed Recordation Date, which assumption shall be effective upon the Grant Deed Recordation Date.

5. References to Borrower and Reimbursement Agreement. The parties hereby agree that from and after the Grant Deed Recordation Date (i) all references to the "Owner" in the Mortgage Loan Documents (as defined in the Indenture) shall mean and refer to Assignee.

6. Release of Indemnity; Assumption of Assignee. The parties hereto agree that as of the Grant Deed Recordation Date, the Assignor shall be released from its obligation to provide indemnity, based upon, pertaining or due to, or arising with respect to any act or omission occurring on and after the Grant Deed Recordation Date, under the Assumed Documents. The Assignee hereby agrees to assume the obligations of the Assignor to provide indemnity, based upon, pertaining or due to, or arising with respect to any act or omission occurring on and after the Grant Deed Recordation Date, under the Assumed Documents.

7. Notice. All correspondence and notices given or required to be given to the Assignor under the Assumed Documents, from and after the Grant Deed Recordation Date, shall be provided to the Assignee and shall be addressed as follows:

Assignee: City of Novato
75 Rowland Way
Suite 200
Novato, California 94945
Attention: City Clerk
Telephone: 415-899-8900
Facsimile: 415-899-8213

With a copy to: Walter and Pistole
670 W. Napa Street, Suite F
Sonoma, California 95476
Attention: Veronica A. F. Nebb
Telephone: 707-996-9690
Facsimile: 707-996-9603

8. Successors and Assigns. This Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective successors and assigns.

9. Counterparts. This Agreement may be executed in multiple counterparts, all of which, when taken together, shall be deemed an original upon execution.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

Dated: March 7, 2011

"ASSIGNOR"

NOVATO PUBLIC FINANCE AUTHORITY

By: _____
Jeanne MacLeamy, Chair

"ASSIGNEE"

CITY OF NOVATO, a Municipal Corporation

By: _____
Madeline Kelner, Mayor

Oberkamper & Associates
Civil Engineers, Inc.

October 16, 1996
Job No. 94-106

EXHIBIT A

LEGAL DESCRIPTION
PARCEL 1

COMMENCING FOR REFERENCE at a found open 2-inch iron pipe accepted as that monument shown on Record of Survey filed July 10, 1969 in Book 8 of Surveys at Page 57, Marin County Records, as being the corner common to the Rancho San Jose and the Rancho San Pedro Santa Margarita y Las Gallinas, said point also being designated "S.J.1", as the same is shown upon that certain plat entitled "Plat of Rancho San Jose, July 1858", filed for record in Book A of Patents on Page 1, Marin County Records; said point being the northwest corner of Survey No. 5 in Township 2 North, Range 6 West, Mount Diablo Meridian;

thence along the boundary of said Rancho San Jose and the westerly line of said 8 O.S. 57, North 31°38'57" West, 141.51 feet to the TRUE POINT OF BEGINNING;

thence leaving said Rancho boundary and said westerly line of 8 O.S. 57, North 58°21'03" East, 56.66 feet; thence North 32°44'43" West, 112.90 feet; thence South 56°52'57" West, 27.67 feet; thence North 36°18'57" West, 329.96 feet to a point on said aforementioned Rancho San Jose boundary and said westerly line of 8 O.S. 57;

thence along said Rancho boundary and said westerly line of 8 O.S. 57, North 31°38'57" West , 257.55 feet;

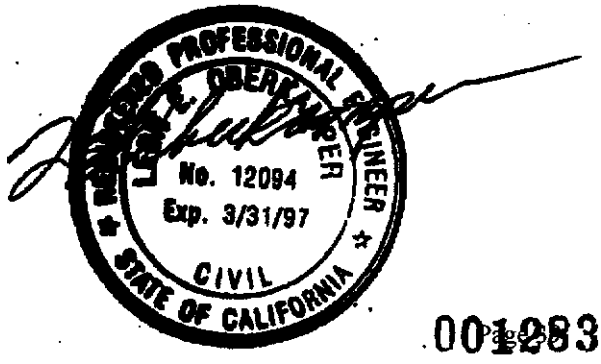
thence leaving said Rancho boundary and said westerly line of 8 O.S. 57, North 12°57'17" West, 443.49 feet to a point on said Rancho boundary and said westerly line of 8 O.S. 57 and which is a found, 3-inch brass capped monument, accepted as that monument shown on said 8 O.S. 57 and on that survey filed February 26, 1973 in Book 11 of Surveys at Page 70, Marin County Records and being the northeast corner thereof;

thence leaving said Rancho boundary and said westerly line of 8 O.S. 57, along the North line of said 11 O.S. 70, North 74°45'51" West, 2061.07 feet; thence leaving said North line of 11 O.S. 70, South 28°17'33" West, 307.47 feet; thence South 31°34'45" East, 176.63 feet; thence South 11°14'44" West, 299.74 feet; thence South 25°35'52" West, 22.40 feet; thence South 35°06'40" West 174.62 feet; thence North 21°35'02" West, 60.08 feet to the beginning of a 100.00 foot radius, tangent curve to the right; thence along said curve, through a central angle of 45°39'21", an arc distance of 79.68 feet; thence North 24°04'19" East, 95.85 feet to the beginning of a 200.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 68°23'02", an arc distance of 238.70 feet; thence North 44°18'43" West, 377.64 feet to the beginning of a 275.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 56°50'36", an arc distance of 272.83 feet to the point of reverse curvature of a 375.00 foot radius, tangent curve to the right; thence along said curve, through a central angle of

56°44'18", an arc distance of 371.35 feet, to the point of compound curvature of a 175.00 foot radius, tangent curve to the right; thence along said compound curve, through a central angle of 25°31'51", an arc distance of 77.98 feet to a point bearing South 6°18'59" East, 215.67 feet from the most northerly corner of that certain parcel of land granted to the City of Novato by deed recorded September 11, 1968 in Book 2239 of Official Records at Page 176, Marin County Records;

thence South 71°06'50" West, 100.00 feet to the beginning of a 275.00 foot radius, non-tangent curve, the radius point of which bears North 71°06'50" East; thence southeasterly along said curve, through a central angle of 25°31'51", an arc distance of 122.54 feet to the point of compound curvature of a 475.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 56°44'18", an arc distance of 470.38 feet to the point of reverse curvature of a 175.00 foot radius, tangent curve to the right; thence along said curve, through a central angle of 56°50'36", an arc distance of 173.62 feet; thence South 44°18'43" East, 377.64 feet to the beginning of a 100.00 foot radius, tangent curve to the right; thence along said curve, through a central angle of 68°23'02", an arc distance of 119.35 feet; thence South 24°04'19" West, 95.85 feet to the beginning of a 200.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 45°39'21", an arc distance of 159.37 feet; thence South 21°35'02" East, 196.43 feet, to the beginning of a 140.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 82°00'37", an arc distance of 200.39 feet; thence South 61°58'24" East, 168.41 feet; thence North 46°47'31" East, 307.04 feet; thence North 22°43'48" East, 306.30 feet; thence North 88°49'28" East, 208.66 feet; thence North 73°09'47" East, 534.21 feet; thence South 30°31'33" East, 50.00 feet; thence South 59°28'27" West, 360.08 feet; thence South 49°17'13" West, 154.78 feet; thence South 40°34'04" East, 363.14 feet; thence North 45°42'44" East, 372.01 feet; thence North 76°56'09" East, 148.75 feet; thence South 63°52'01" East, 28.35 feet; thence South 26°07'59" West, 237.85 feet; thence South 74°20'31" West, 205.01 feet; thence South 8°31'26" West, 107.69 feet; thence South 53°07'25" West, 214.67 feet; thence South 68°43'49" West, 279.73 feet; thence South 41°06'02" West, 223.36 feet; thence South 35°40'28" East, 139.99 feet; thence South 76°17'06" East, 318.47 feet; thence North 80°54'38" East, 85.65 feet; thence North 72°36'03" East, 330.41 feet; thence North 82°11'38" East, 370.72 feet; thence South 74°25'36" East, 456.94 feet; thence North 58°21'03 East, 439.01 feet to the TRUE POINT OF BEGINNING and containing 63.00 acres, more or less.

DPH:BFL



Oberkamper & Associates
Civil Engineers, Inc.

October 16, 1996
Job No. 94-106

EXHIBIT B

LEGAL DESCRIPTION
PARCEL 2

COMMENCING FOR REFERENCE at the most northerly corner of that certain parcel of land granted to the City of Novato by deed recorded September 11, 1968 in Book 2239 of Official Records at Page 176, Marin County Records and the beginning of a 126.00 foot radius curve, the radius point of which bears North 85°48'12" East; thence along the exterior line of said 2239 OR 176 the following courses and distances: southerly along said curve, through a central angle of 4°30'46", an arc distance of 9.92 feet to the point of compound curvature of a 33.19 foot radius, tangent curve to the left; thence along said curve, through a central angle of 49°21'16", an arc distance of 28.59 feet to the point of reverse curvature of a 50.00 foot radius, tangent curve to the right, and thence along said curve, through a central angle of 111°56'04", an arc distance of 97.68 feet to the TRUE POINT OF BEGINNING, being the North end point of a 175.00 foot radius curve, the radius point of which bears South 76°08'44" East; thence leaving said exterior line of 2239 O.R. 176, southerly along said curve, through a central angle of 32°44'26", an arc distance of 100.00 feet; thence South 71°06'50" West, 100.00 feet to the beginning of a 275.00 foot radius curve, the radius point of which bears North 71°06'50" East; thence northerly along said curve, through a central angle of 30°41'42", an arc distance of 147.33 feet to a point on the easterly line of that land granted to the State of California by deed recorded February 3, 1961 in Book 1433 of Official Records at Page 353, Marin County Records; thence along said easterly line, North 23°07'24" East, 1.33 feet to a point on said exterior line of 2239 O.R. 176; thence leaving said easterly line of 1433 O.R. 353, along said exterior line of 2239 O.R. 176, South 66°52'36" East, 53.97 feet to the beginning of a 50.00 foot radius, tangent curve to the left, and thence along said curve, through a central angle of 59°15'10", an arc distance of 51.71 feet to the TRUE POINT OF BEGINNING and containing 0.27 acres, more or less.

DPH:BFL

REGISTERED PROFESSIONAL ENGINEER
LEROY F. OBERKAMPER
No. 12094
Exp. 3/31/97
CIVIL
STATE OF CALIFORNIA

D:\WPwin\DPH\LGLDSC_PCL2\94.106

001283

Oberkamper & Associates
Civil Engineers, Inc.

October 16, 1996
Job No. 94-106

EXHIBIT C

LEGAL DESCRIPTION
PARCEL 3

COMMENCING FOR REFERENCE at a found open 2-inch iron pipe accepted as that monument shown on Record of Survey filed July 10, 1969 in Book 8 of Surveys at Page 57, Marin County Records, as being the corner common to the Rancho San Jose and the Rancho San Pedro Santa Margarita y Las Gallinas, said point also being designated "S.J.1", as the same is shown upon that certain plat entitled "Plat of Rancho San Jose, July 1858", filed for record in Book A of Patents on Page 1, Marin County Records; said point being the northwest corner of Survey No. 5 in Township 2 North, Range 6 West, Mount Diablo Meridian;

thence along the boundary of said Rancho San Jose and the westerly line of said 8 O.S. 57, North 31°38'57" West, 141.51 feet; thence leaving said Rancho boundary and said westerly line of 8 O.S. 57, North 58°21'03" East, 56.66 feet; thence North 32°44'43" West, 112.90 feet to the TRUE POINT OF BEGINNING;

thence North 56°52'57" East, 39.54 feet to the beginning of a 45.59 foot radius, tangent curve to the left; thence along said curve, through a central angle of 222°19'36", an arc distance of 176.90 feet; thence South 14°33'21" West, 52.70 feet; thence South 36°18'57" East, 43.88 feet; thence North 56°52'57" East, 27.67 feet to the TRUE POINT OF BEGINNING and containing 0.19 acres, more or less.

DPH:BFL

REGISTERED PROFESSIONAL ENGINEER
OBERKAMPER
No. 12094
Exp. 3/31/97
CIVIL
STATE OF CALIFORNIA

Oberkamper & Associates
Civil Engineers, Inc.

October 16, 1996
Job No. 94-106

EXHIBIT D

LEGAL DESCRIPTION
PARCEL 4

A 20-FOOT WIDE STRIP OF LAND lying 10 feet either side of the following described line:

COMMENCING FOR REFERENCE at a found open 2-inch iron pipe accepted as that monument shown on Record of Survey filed July 10, 1969 in Book 8 of Surveys at Page 57, Marin County Records, as being the corner common to the Rancho San Jose and the Rancho San Pedro Santa Margarita y Las Gallinas, said point also being designated "S.J.1", as the same is shown upon that certain plat entitled "Plat of Rancho San Jose, July 1858", filed for record in Book A of Patents on Page 1, Marin County Records; said point being the northwest corner of Survey No. 5 in Township 2 North, Range 6 West, Mount Diablo Meridian;

thence along the boundary of said Rancho San Jose and the westerly line of said 8 O.S. 57, North 31°38'57" West, 687.55 feet to the TRUE POINT OF BEGINNING, said point being on the approximate centerline of an existing drainage ditch; thence along said approximate ditch centerline North 78°33'04" East, 493.10 feet to a point on the westerly right of way line of the Northwestern Pacific Railroad Company, a California corporation, as described by deed recorded May 15, 1908 in Book 114 of Deeds at Page 376, Marin County Records.

The sidelines of this easement shall be lengthened or shortened to intersect said westerly line of 8 O.S. 57 and said westerly right of way line of 114 Deeds 376.

DPH:BFL

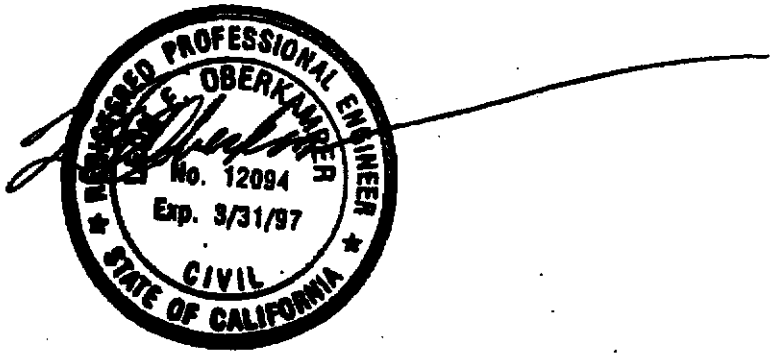


EXHIBIT B

Assumed Documents

1. Trust Indenture, dated as of March 1, 1997 (the "Indenture"), by and between CLFGA and the Trustee.

2. Loan Agreement, dated as of March 1, 1997 (the "Loan Agreement"), by and among CLFGA, the Assignor and the PAC.

3. The Notes executed by the Assignor.

4. Housing Assistance Pledge Agreement and Declaration of Restrictive Covenants, dated as of March 1, 1997, by and among the Agency, the PAC and the Assignor.

5. Marin Valley Mobile Country Club Park Delegation Agreement, dated as of March 1, 1997, by and between the Assignor and the PAC.

6. Management Agreement, dated as of _____, by and between the PAC and Frei Management Services.

7. In-Lieu of Tax Agreement dated as of March 1, 1997, by and among the Assignee, the PAC and the Assignor.

8. Capital Improvements Agreement, dated March 13, 1997 and executed by the Assignor and the PAC.

9. Insurance and Indemnity Agreement, dated as of March 1, 1997, by and among Financial Security, the PAC and the Assignor.

10. Indemnity Agreement, dated as of March 1, 1997, by and among Financial Security, the PAC and the Assignor.

11. Deed of Trust with Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of March 1, 1997 (the "Mortgage"), by and among the Assignor, the Trustee and Consolidated Title Services Inc.

EXHIBIT C

CONSENT

Unless expressly defined herein, all capitalized terms used in this Consent (the "**Consent Certificate**") shall have the meanings ascribed to them in the Assignment and Assumption Agreement dated as of March 7, 2011 (the "**Agreement**"), by and between by and between The Novato Public Finance Authority (the "**Assignor**"), and The City of Novato, a Municipal Corporation (the "**Assignee**"), to which Agreement this Consent Certificate is attached. The undersigned hereby consents to the transfer of the Project to the Assignee, and the assignment and assumption of certain obligations and the release of the Assignor from its obligations under the Assumed Documents, including, without limitation, its respective indemnification obligations, as and only to the extent set forth in Sections 3 and 6 of the Agreement. The undersigned further and hereby acknowledges, consents and certifies as follows:

(i) The Assumed Documents (as defined and set forth in Exhibit B to the Agreement) are in full force and effect and there has been no amendment, modification, supplement, modification or assignment of the Assumed Documents of any kind except as listed on said Exhibit B.

(ii) All amounts payable under the Assumed Documents and the Indenture to the Issuer have been paid in full through the date hereof.

(iii) To the best knowledge of the Assured Guarantee, the Assignor is not in default under the Assumed Documents and has not breached the Assumed Documents in the performance of any covenant or obligation thereunder; the Issuer has not given any notice to the Assignor of any default under the Assumed Documents which has not been cured; and the Issuer is not aware of any circumstance that presently exists which, with the giving of notice or the passage of time or both, would give rise to a default by the Assignor under the Assumed Documents.

(iv) The person executing this Consent Certificate is duly authorized and empowered in all respects to do so on behalf of the Issuer, and the foregoing may be relied upon by the Assignor, the Assignee, the Lender, the Trustee and their respective successors and assigns.

Dated: April 18, 2007

ASSURED GUARANTEE

By:_____
Chief Executive Officer

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, 200_, before me, the undersigned, a Notary Public in and for said County and State, personally appeared

_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.

_____
Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, 200_, before me, the undersigned, a Notary Public in and for said County and State, personally appeared

_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.

_____
Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, 200_, before me, the undersigned, a Notary Public in and for said County and State, personally appeared

_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.

_____
Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On _____, 200_, before me, the undersigned, a Notary Public in and for said County and State, personally appeared

_____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the within instrument.

WITNESS my hand and official seal.

_____
Notary Public

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NOVATO FINANCING AUTHORITY APPROVING THE TRANSFER OF ALL NFA HELD REAL PROPERTY ASSETS TO THE CITY OF NOVATO: APPROVAL OF DEEDS TO CONVEY ALL REAL PROPERTY OF THE NOVATO FINANCING AUTHORITY TO THE CITY OF NOVATO AND AUTHORIZING THE CHAIR OF THE NOVATO FINANCING AUTHORITY BOARD OF DIRECTORS TO EXECUTE ALL DEEDS

WHEREAS, the Novato Financing Authority ("NFA") is a joint powers agency formed between the City of Novato and the Redevelopment Agency of the City of Novato; and

WHEREAS, the City of Novato ("City") is a general law city and municipal corporation; and

WHEREAS, the Redevelopment Agency of the City of Novato ("RDA") is a redevelopment agency formed, existing, and exercising its powers pursuant to California Redevelopment Law, Health and Safety Codes Section 33000 *et seq*; and

WHEREAS, the NFA was formed in 1996 in order to act as an ownership entity for the purchase of the Marin Valley Mobile Country Club (MVMCC) mobile home park to protect the senior affordable housing offered at the park; and

WHEREAS, the formation of the NFA allowed the City to purchase the MVMCC through tax exempt bond financing without risking general fund revenues. Bond financing was issued, including senior and subordinate bonds. The RDA's involvement was limited to an Agency pledge to secure the subordinate bonds. This financial guarantee of the RDA was never exercised since the rent revenue from MVMCC was always sufficient to cover the bond debt. The subordinate bonds were paid off in 2010. As such, the RDA never expended any funds on the NFA owned assets at MVMCC; and

WHEREAS, the state of California is contemplating the adoption of its Fiscal Year 2011/2010 budget, which includes a proposal to eliminate the 425 redevelopment agencies currently operating in California; and

WHEREAS, there is concern that the real property assets held by the Novato Financing Authority, a joint powers agency formed by the RDA and the City, could be exposed to forced disposition if the RDA were abolished; and

WHEREAS, if the NFA were forced to liquidate its interest in MVMCC it would have a devastating impact on the affordability of the mobile home units at the mobile home park. Specifically, the MVMCC property could be acquired by a private entity that would be unrestrained from raising rents in the park, potentially leading to the displacement of low-income seniors; and

WHEREAS, the Board of Directors of the NFA has been requested to transfer NFA's real property assets to the City; and

WHEREAS, the proposed property transfer is intended to insure the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to assure use of these assets in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC mortgage loan documents; and

WHEREAS, the original purchase of the MVMCC property, including the bond financing, could have been effected by the City alone at any time. In addition, the NFA Joint Powers Agreement provides for the assets to be transferred among the members of the Joint Powers Agency without regard to compensation; and

WHEREAS, significant staff and related financial support for the ownership of the MVMCC by the NFA has come from the City since the MVMCC was purchased in 1997; and

WHEREAS, the transfer of the MVMCC to the City of Novato will avoid costly litigation, which would be paid from park proceeds, that would likely ensue over any attempted forced sale, transfer, or joint ownership of the MVMCC; and

WHEREAS, the NFA and City, by separate resolutions have agreed to assign and assume, respectively, all of the obligations of the NFA with respect to MVMCC, thus ensuring the continued compliance with the mortgage loan documents and any other obligations of the NFA; and

WHEREAS, the City's bond counsel has issued an opinion that the interest payments on the bonds tied to the MVMCC would remain tax exempt following the proposed transfer; and

WHEREAS, the RDA, by separate resolution, has consented to the proposed transfer of NFA's real property assets to the City of Novato; and

WHEREAS, the City Council has been requested to accept the deeds prepared to transfer NFA's real property to the City of Novato; and

WHEREAS, the Board of Directors of the NFA has been asked to authorize the Chair of the Board to execute the deeds; and

WHEREAS, the proposed transfer of the real property held by the NFA to the City of Novato is exempt from the requirements of the California Environmental Quality

Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) by the general rule that CEQA applies only to projects that have the potential to cause significant effects on the environment. The proposed property transfers would not result in significant effects on the environment since the transfers do not: 1) contemplate any physical development proposals; 2) propose or result in any changes to existing land use limitations or development intensity; 3) alter or otherwise extinguish existing development restrictions applicable to the property; or 4) alter or otherwise extinguish any other city approved and currently valid development entitlement or building permit. No new or differing actual development or physical improvements are contemplated; and

WHEREAS, a public meeting of the Board of Directors of the NFA with respect to the proposed property transfer was duly held on the matter of the proposed transfer in accordance with applicable law; and

WHEREAS, the Novato Planning Commission considered the proposed property transfer and, by separate resolution, reported the transfer to be consistent with the Novato General Plan; and

WHEREAS, the Board of Directors of the NFA has considered all of the information, testimony, and evidence presented at the meeting concerning the proposed property transfers and deeds.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Novato Financing Authority does hereby resolve as follows:

Section 1: The foregoing recitals are true and correct and incorporated herein.

Section 2: The Novato Financing Authority finds and determines as follows:

A. The formation of the NFA allowed the City to purchase the MVMCC through tax exempt bond financing without risking general fund revenues. Bond financing was issued, including senior and subordinate bonds. The RDA's involvement was limited to an Agency pledge to secure the subordinate bonds. This financial guarantee of the RDA was never exercised since the rent revenue from MVMCC was always sufficient to cover the bond debt. The subordinate bonds were paid off in 2010. As such, the RDA never expended any funds on the NFA owned assets at MVMCC.

B. The property transfer will to ensure the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to assure use of these assets in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC mortgage loan documents.

C. The NFA and City, by separate resolutions have agreed to assign and assume, respectively all of obligations of the NFA with respect to MVMCC, thus ensuring the continued compliance with the mortgage loan documents and any other obligations assigned to the NFA;

D. The City's bond counsel has issued an opinion that the interest payments on the bonds tied to the MVMCC would remain tax exempt following the proposed transfer.

E. The RDA, by separate resolution, has consented to the proposed transfer of NFA's real property assets to the City of Novato

Section 3: The proposed transfer of the real property held by the NFA to the City of Novato is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) by the general rule that CEQA applies only to projects that have the potential to cause significant effects on the environment. The proposed property transfers would not result in significant effects on the environment since the transfers do not: 1) contemplate any physical development proposals; 2) propose or result in any changes to existing land use limitations or development intensity; 3) alter or otherwise extinguish existing development restrictions applicable to the property; or 4) alter or otherwise extinguish any other city approved and currently valid development entitlement or building permit. No new or differing actual development or physical improvements are contemplated; and

Section 4: By adoption of this resolution, the Board of Directors of the Novato Financing Authority hereby approves of the transfer of all real property held by the Authority to the City of Novato.

Section 5: By adoption of this resolution, the Board of Directors of the Novato Financing Authority does hereby authorize the Chair of the Board of Directors to execute all deeds for said property and to deliver same to the City of Novato.

* * * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Novato, Marin County, California, at a meeting thereof, held on the ____ day of _____, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Chair, Novato Financing Authority

Attest:

_____
Secretary/Treasurer
Novato Financing Authority

Recording Requested By And
When Recorded Mail To:

City of Novato
75 Rowland Way, #200
Novato, CA 94945
Attn: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned grantor declares:
Documentary transfer tax is $ None
Transfer from one Public Agency to
another Public Agency
( ) computed on full value of property conveyed, or
( ) computed on full value less value of liens and encumbrances remaining at time of sale.
( ) Unincorporated area: ( ) City of

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, NOVATO FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California, ("Grantors"), do hereby grant to, THE CITY OF NOVATO, a municipal corporation ("Grantee"), all of Grantors' right, title and interest in and to the real property situated in the County of Marin, State of California, and more particularly described as follows:

Parcel 1:

A fee as, to the following described real property:
See Exhibit A attached hereto and incorporated herein by this reference.

Parcel 2:

A non-exclusive easement appurtenant to Parcel I above described for pedestrian and vehicular ingress and egress purposes; public utility purposes; drainage, storm and sanitary sewer purposes; and fire and emergency vehicle access purposes on, over, under, and across the following described parcel of real property:

See Exhibit B attached hereto and incorporated herein by this reference.

Parcel 3:

A non-exclusive easement appurtenant to Parcel 1 above described for vehicle turn around purposes on, over and across the following described parcel of real property:

See Exhibit C attached hereto and incorporated herein by this reference.

Parcel 4:

A non-exclusive easement appurtenant to Parcel 1 above described for drainage purposes on, over, under and across the following described parcel of real property:

See Exhibit D attached hereto and incorporated herein by this reference.

Grantors' grant of Parcel 1 above described to Grantee is subject to the non-exclusive easements for pedestrian and vehicular ingress and egress purposes; public utility purposes; drainage, storm and sanitary sewer purposes; and fire and emergency vehicle access purposes on, over, under and across a portion of such Parcel 1, as granted by Grantors to The Trust for Public Land, a California nonprofit public benefit corporation, by Grant Deed recorded December 31, 1996, as Instrument No. 96069645, Marin County Records ("TPL Deed"), and described as Parcel 3 therein ("TPL Easements"):

The easements granted by' Grantors to Grantee as provided above and the TPL Easements are subject to the terms and provisions for such easements set forth in the TPL Deed.

Grantors' grant of the herein described real property to Grantee is also subject to the lien of non-delinquent real property taxes and assessments and covenants, conditions, restrictions, easements, rights-of-way and servitudes of record.

Date: March 8, 2011

THE NOVATO FINANCING AUTHORITY

BY:_____
Jeanne MacLeamy, Chair

MAIL TAX STATEMENTS TO ADDRESS SET FORTH ABOVE.
(All signatures must be acknowledged)

Oberkamper & Associates
Civil Engineers, Inc.

October 16, 1996
Job No. 94-106

EXHIBIT A

LEGAL DESCRIPTION
PARCEL 1

COMMENCING FOR REFERENCE at a found open 2-inch iron pipe accepted as that monument shown on Record of Survey filed July 10, 1969 in Book 8 of Surveys at Page 57, Marin County Records, as being the corner common to the Rancho San Jose and the Rancho San Pedro Santa Margarita y Las Gallinas, said point also being designated "S.J.1", as the same is shown upon that certain plat entitled "Plat of Rancho San Jose, July 1858", filed for record in Book A of Patents on Page 1, Marin County Records; said point being the northwest corner of Survey No. 5 in Township 2 North, Range 6 West, Mount Diablo Meridian;

thence along the boundary of said Rancho San Jose and the westerly line of said 8 O.S. 57, North 31°38'57" West, 141.51 feet to the TRUE POINT OF BEGINNING;

thence leaving said Rancho boundary and said westerly line of 8 O.S. 57, North 58°21'03" East, 56.66 feet; thence North 32°44'43" West, 112.90 feet; thence South 56°52'57" West, 27.67 feet; thence North 36°18'57" West, 329.96 feet to a point on said aforementioned Rancho San Jose boundary and said westerly line of 8 O.S. 57;

thence along said Rancho boundary and said westerly line of 8 O.S. 57, North 31°38'57" West, 257.55 feet;

thence leaving said Rancho boundary and said westerly line of 8 O.S. 57, North 12°57'17" West, 443.49 feet to a point on said Rancho boundary and said westerly line of 8 O.S. 57 and which is a found, 3-inch brass capped monument, accepted as that monument shown on said 8 O.S. 57 and on that survey filed February 26, 1973 in Book 11 of Surveys at Page 70, Marin County Records and being the northeast corner thereof;

thence leaving said Rancho boundary and said westerly line of 8 O.S. 57, along the North line of said 11 O.S. 70, North 74°45'51" West, 2061.07 feet; thence leaving said North line of 11 O.S. 70, South 28°17'33" West, 307.47 feet; thence South 31°34'45" East, 176.63 feet; thence South 11°14'44" West, 299.74 feet; thence South 25°35'52" West, 22.40 feet; thence South 35°06'40" West 174.62 feet; thence North 21°35'02" West, 60.08 feet to the beginning of a 100.00 foot radius, tangent curve to the right; thence along said curve, through a central angle of 45°39'21", an arc distance of 79.68 feet; thence North 24°04'19" East, 95.85 feet to the beginning of a 200.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 68°23'02", an arc distance of 238.70 feet; thence North 44°18'43" West, 377.64 feet to the beginning of a 275.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 56°50'36", an arc distance of 272.83 feet to the point of reverse curvature of a 375.00 foot radius, tangent curve to the right; thence along said curve, through a central angle of

56°44'18", an arc distance of 371.35 feet, to the point of compound curvature of a 175.00 foot radius, tangent curve to the right; thence along said compound curve, through a central angle of 25°31'51", an arc distance of 77.98 feet to a point bearing South 6°18'59" East, 215.67 feet from the most northerly corner of that certain parcel of land granted to the City of Novato by deed recorded September 11, 1968 in Book 2239 of Official Records at Page 176, Marin County Records;

thence South 71°06'50" West, 100.00 feet to the beginning of a 275.00 foot radius, non-tangent curve, the radius point of which bears North 71°06'50" East; thence southeasterly along said curve, through a central angle of 25°31'51", an arc distance of 122.54 feet to the point of compound curvature of a 475.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 56°44'18", an arc distance of 470.38 feet to the point of reverse curvature of a 175.00 foot radius, tangent curve to the right; thence along said curve, through a central angle of 56°50'36", an arc distance of 173.62 feet; thence South 44°18'43" East, 377.64 feet to the beginning of a 100.00 foot radius, tangent curve to the right; thence along said curve, through a central angle of 68°23'02", an arc distance of 119.35 feet; thence South 24°04'19" West, 95.85 feet to the beginning of a 200.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 45°39'21", an arc distance of 159.37 feet; thence South 21°35'02" East, 196.43 feet, to the beginning of a 140.00 foot radius, tangent curve to the left; thence along said curve, through a central angle of 82°00'37", an arc distance of 200.39 feet; thence South 61°58'24" East, 168.41 feet; thence North 46°47'31" East, 307.04 feet; thence North 22°43'48" East, 306.30 feet; thence North 88°49'28" East, 208.66 feet; thence North 73°09'47" East, 534.21 feet; thence South 30°31'33" East, 50.00 feet; thence South 59°28'27" West, 360.08 feet; thence South 49°17'13" West, 154.78 feet; thence South 40°34'04" East, 363.14 feet; thence North 45°42'44" East, 372.01 feet; thence North 76°56'09" East, 148.75 feet; thence South 63°52'01" East, 28.35 feet; thence South 26°07'59" West, 237.85 feet; thence South 74°20'31" West, 205.01 feet; thence South 8°31'26" West, 107.69 feet; thence South 53°07'25" West, 214.67 feet; thence South 68°43'49" West, 279.73 feet; thence South 41°06'02" West, 223.36 feet; thence South 35°40'28" East, 139.99 feet; thence South 76°17'06" East, 318.47 feet; thence North 80°54'38" East, 85.65 feet; thence North 72°36'03" East, 330.41 feet; thence North 82°11'38" East, 370.72 feet; thence South 74°25'36" East, 456.94 feet; thence North 58°21'03 East, 439.01 feet to the TRUE POINT OF BEGINNING and containing 63.00 acres, more or less.

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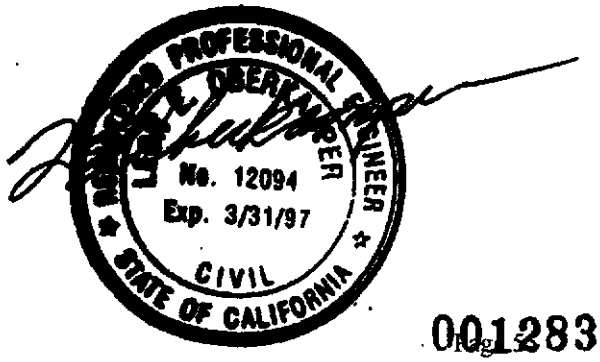

Oberkamper & Associates
Civil Engineers, Inc.

October 16, 1996
Job No. 94-106

EXHIBIT B

LEGAL DESCRIPTION
PARCEL 2

COMMENCING FOR REFERENCE at the most northerly corner of that certain parcel of land granted to the City of Novato by deed recorded September 11, 1968 in Book 2239 of Official Records at Page 176, Marin County Records and the beginning of a 126.00 foot radius curve, the radius point of which bears North 85°48'12" East: thence along the exterior line of said 2239 OR 176 the following courses and distances: southerly along said curve, through a central angle of 4°30'46", an arc distance of 9.92 feet to the point of compound curvature of a 33.19 foot radius, tangent curve to the left; thence along said curve, through a central angle of 49°21'16", an arc distance of 28.59 feet to the point of reverse curvature of a 50.00 foot radius, tangent curve to the right, and thence along said curve, through a central angle of 111°56'04", an arc distance of 97.68 feet to the TRUE POINT OF BEGINNING, being the North end point of a 175.00 foot radius curve, the radius point of which bears South 76°08'44" East; thence leaving said exterior line of 2239 O.R. 176, southerly along said curve, through a central angle of 32°44'26", an arc distance of 100.00 feet; thence South 71°06'50" West, 100.00 feet to the beginning of a 275.00 foot radius curve, the radius point of which bears North 71°06'50" East; thence northerly along said curve, through a central angle of 30°41'42", an arc distance of 147.33 feet to a point on the easterly line of that land granted to the State of California by deed recorded February 3, 1961 in Book 1433 of Official Records at Page 353, Marin County Records; thence along said easterly line, North 23°07'24" East, 1.33 feet to a point on said exterior line of 2239 O.R. 176; thence leaving said easterly line of 1433 O.R. 353, along said exterior line of 2239 O.R. 176, South 66°52'36" East, 53.97 feet to the beginning of a 50.00 foot radius, tangent curve to the left, and thence along said curve, through a central angle of 59°15'10", an arc distance of 51.71 feet to the TRUE POINT OF BEGINNING and containing 0.27 acres, more or less.

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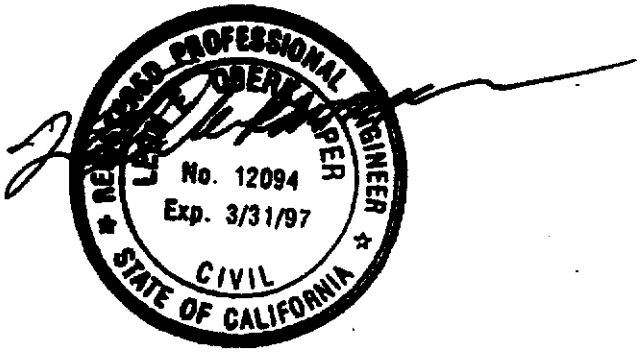

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Oberkamper & Associates
Civil Engineers, Inc.

October 16, 1996
Job No. 94-106

EXHIBIT C

LEGAL DESCRIPTION
PARCEL 3

COMMENCING FOR REFERENCE at a found open 2-inch iron pipe accepted as that monument shown on Record of Survey filed July 10, 1969 in Book 8 of Surveys at Page 57, Marin County Records, as being the corner common to the Rancho San Jose and the Rancho San Pedro Santa Margarita y Las Gallinas, said point also being designated "S.J.1", as the same is shown upon that certain plat entitled "Plat of Rancho San Jose, July 1858", filed for record in Book A of Patents on Page 1, Marin County Records; said point being the northwest corner of Survey No. 5 in Township 2 North, Range 6 West, Mount Diablo Meridian;

thence along the boundary of said Rancho San Jose and the westerly line of said 8 O.S. 57, North 31°38'57" West, 141.51 feet; thence leaving said Rancho boundary and said westerly line of 8 O.S. 57, North 58°21'03" East, 56.66 feet; thence North 32°44'43" West, 112.90 feet to the TRUE POINT OF BEGINNING;

thence North 56°52'57" East, 39.54 feet to the beginning of a 45.59 foot radius, tangent curve to the left; thence along said curve, through a central angle of 222°19'36", an arc distance of 176.90 feet; thence South 14°33'21" West, 52.70 feet; thence South 36°18'57" East, 43.88 feet; thence North 56°52'57" East, 27.67 feet to the TRUE POINT OF BEGINNING and containing 0.19 acres, more or less.

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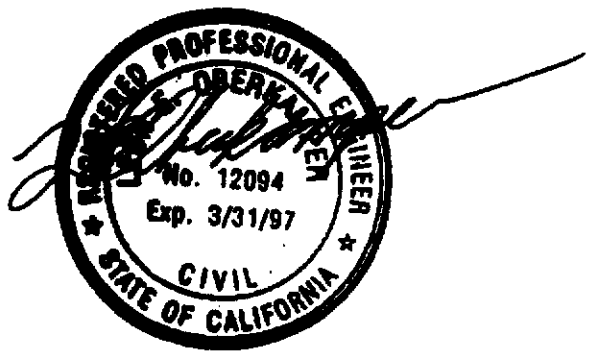

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Oberkamper & Associates
Civil Engineers, Inc.

October 16, 1996
Job No. 94-106

EXHIBIT D

LEGAL DESCRIPTION
PARCEL 4

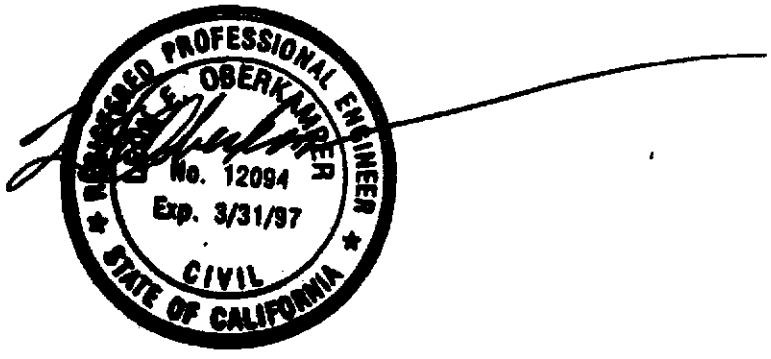
A 20-FOOT WIDE STRIP OF LAND lying 10 feet either side of the following described line:

COMMENCING FOR REFERENCE at a found open 2-inch iron pipe accepted as that monument shown on Record of Survey filed July 10, 1969 in Book 8 of Surveys at Page 57, Marin County Records, as being the corner common to the Rancho San Jose and the Rancho San Pedro Santa Margarita y Las Gallinas, said point also being designated "S.J.1", as the same is shown upon that certain plat entitled "Plat of Rancho San Jose, July 1858", filed for record in Book A of Patents on Page 1, Marin County Records; said point being the northwest corner of Survey No. 5 in Township 2 North, Range 6 West, Mount Diablo Meridian;

thence along the boundary of said Rancho San Jose and the westerly line of said 8 O.S. 57, North 31°38'57" West, 687.55 feet to the TRUE POINT OF BEGINNING, said point being on the approximate centerline of an existing drainage ditch; thence along said approximate ditch centerline North 78°33'04" East, 493.10 feet to a point on the westerly right of way line of the Northwestern Pacific Railroad Company, a California corporation, as described by deed recorded May 15, 1908 in Book 114 of Deeds at Page 376, Marin County Records.

The sidelines of this easement shall be lengthened or shortened to intersect said westerly line of 8 O.S. 57 and said westerly right of way line of 114 Deeds 376.

DPH:BFL



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CITY CLERK'S CERTIFICATE OF THE OWNER'S ACCEPTANCE OF A CONVEYANCE OF REAL PROPERTY AND ITS CONSENT TO RECORDATION

This is to certify that the interest in real property situated in Marin County, California, described in the attached Exhibits A, B, C and D to the Grant Deed (as described below), conveyed by Grant Deed dated March 8, 2011 from NOVATO FINANCING AUTHORITY to THE CITY OF NOVATO, a municipal corporation, is hereby accepted by the undersigned officer on behalf of the City of Novato pursuant to Resolution No. of the City of Novato, adopted March 8, 2011, and the grantee hereby consents to recordation thereof by its duly authorized officer.

Dated: March 8, 2011

_____

Novato City Clerk

ACKNOWLEDGMENT

State of California
County of Marin)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

CITY COUNCIL OF THE CITY OF NOVATO

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NOVATO ACCEPTING THE DEEDS CONVEYING ALL REAL PROPERTY OF THE NOVATO FINANCING AUTHORITY TO THE CITY OF NOVATO AND AUTHORIZING THE EXECUTION OF A CERTIFICATE OF ACCEPTANCE BY THE CITY OF NOVATO

WHEREAS, the Novato Financing Authority ("NFA") is a joint powers agency formed between the City of Novato and the Redevelopment Agency of the City of Novato; and

WHEREAS, the City of Novato ("City") is a general law city and municipal corporation; and

WHEREAS, the Redevelopment Agency of the City of Novato ("RDA") is a redevelopment agency formed, existing, and exercising its powers pursuant to California Redevelopment Law, Health and Safety Codes Section 33000 *et seq*; and

WHEREAS, the NFA was formed in 1996 in order to act as an ownership entity for the purchase of the Marin Valley Mobile Country Club (MVMCC) mobile home park to protect the senior affordable housing offered at the park; and

WHEREAS, the formation of the NFA allowed the City to purchase the MVMCC through tax exempt bond financing without risking general fund revenues. Bond financing was issued, including senior and subordinate bonds. The RDA's involvement was limited to an Agency pledge to secure the subordinate bonds. This financial guarantee of the RDA was never exercised since the rent revenue from MVMCC was always sufficient to cover the bond debt. The subordinate bonds were paid off in 2010. As such, the RDA never expended any funds on the NFA owned assets at MVMCC; and

WHEREAS, the state of California is contemplating the adoption of its Fiscal Year 2011/2010 budget, which includes a proposal to eliminate the 425 redevelopment agencies currently operating in California; and

WHEREAS, there is concern that the real property assets held by the Novato Financing Authority, a joint powers agency formed by the RDA and the City, could be exposed to forced disposition if the RDA were abolished; and

WHEREAS, if the NFA were forced to liquidate its interest in MVMCC it would have a devastating impact on the affordability of the mobile home units at the mobile home park. Specifically, the MVMCC property could be acquired by a private entity that

would be unrestrained from raising rents in the park, potentially leading to the displacement of low-income seniors; and

WHEREAS, the Board of Directors of the NFA has, by separate resolution, approved the transfer NFA's real property assets to the City and has approved a deed conveying title these assets to the City of Novato; and

WHEREAS, the Chair of the Board of Directors of the NFA was authorized to and has executed the deed conveying title of the NFA's real property assets to the City of Novato; and

WHEREAS, the City of Novato is now asked to accept the deed to the NFA's real property assets; and

WHEREAS, the property transfer is intended to ensure the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to assure use of these assets in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC mortgage loan documents; and

WHEREAS, the original purchase of the MVMCC property, including the bond financing, could have been effected by the City alone at any time. In addition, the NFA Joint Powers Agreement provides for the assets to be transferred among the members of the Joint Powers Agency without regard to compensation; and

WHEREAS, significant staff and related financial support for the ownership of the MVMCC by the NFA has come from the City since the MVMCC was purchased in 1997; and

WHEREAS, the transfer of the MVMCC to the City of Novato will avoid costly litigation, which would be paid from park proceeds that would likely ensue over any attempted forced sale, transfer, or joint ownership of the MVMCC; and

WHEREAS, the NFA and City, by separate resolutions have agreed to assign and assume, respectively, all of the obligations of the NFA with respect to the MVMCC Mortgage Loan Documents, thus ensuring the continued compliance with the mortgage loan documents and any other obligations of the NFA; and

WHEREAS, the City's bond counsel has issued an opinion that the interest payments on the bonds tied to the MVMCC would remain tax exempt following the proposed transfer; and

WHEREAS, the RDA, by separate resolution, has consented to the proposed transfer of NFA's real property assets to the City of Novato; and

WHEREAS, the City's acceptance of the deed conveying title to the real property held by the NFA to the City of Novato is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3)

by the general rule that CEQA applies only to projects that have the potential to cause significant effects on the environment. The proposed property transfers would not result in significant effects on the environment since the transfers do not: 1) contemplate any physical development proposals; 2) propose or result in any changes to existing land use limitations or development intensity; 3) alter or otherwise extinguish existing development restrictions applicable to the property; or 4) alter or otherwise extinguish any other city approved and currently valid development entitlement or building permit. No new or differing actual development or physical improvements are contemplated; and

WHEREAS, a public meeting of the City Council with respect to accepting the deed was duly held on the matter in accordance with applicable law; and

WHEREAS, the Novato Planning Commission considered the proposed property transfer and, by separate resolution, reported the transfer to be consistent with the Novato General Plan; and

WHEREAS, the City Council has considered all of the information, testimony, and evidence presented at the meeting concerning the proposed property transfers and deeds.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Novato does hereby resolve as follows:

Section 1: The foregoing recitals are true and correct and incorporated herein.

Section 2: The City Council of the City of Novato finds and determines as follows:

A. The formation of the NFA allowed the City to purchase the MVMCC through tax exempt bond financing without risking general fund revenues. Bond financing was issued, including senior and subordinate bonds. The RDA's involvement was limited to an Agency pledge to secure the subordinate bonds. This financial guarantee of the RDA was never exercised since the rent revenue from MVMCC was always sufficient to cover the bond debt. The subordinate bonds were paid off in 2010. As such, the RDA never expended any funds on the NFA owned assets at MVMCC.

B. The City's acceptance of the deed to the NFA's real property assets will ensure the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to assure use of these assets in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC mortgage loan documents.

C. The NFA and City, by separate resolutions have agreed to assign and assume, respectively, all of obligations of the NFA with respect to the

MVMCC Mortgage Loan Documents, thus ensuring the continued compliance with the mortgage loan documents and any other obligations of the NFA;

D. The City's bond counsel has issued an opinion that the interest payments on the bonds tied to the MVMCC would remain tax exempt following the proposed transfer.

E. The RDA, by separate resolution, has consented to the proposed transfer of NFA's real property assets to the City of Novato

Section 3: The City's acceptance of the deed conveying title to the real property held by the NFA to the City of Novato is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) by the general rule that CEQA applies only to projects that have the potential to cause significant effects on the environment. Acceptance of the deed would not result in significant effects on the environment since the transfers do not: 1) contemplate any physical development proposals; 2) propose or result in any changes to existing land use limitations or development intensity; 3) alter or otherwise extinguish existing development restrictions applicable to the property; or 4) alter or otherwise extinguish any other city approved and currently valid development entitlement or building permit. No new or differing actual development or physical improvements are contemplated; and

Section 4: By adoption of this resolution, the City Council of the City of Novato hereby accepts the deed executed by the NFA to convey of all real property held by the Authority to the City of Novato.

Section 5: By adoption of this resolution, the City Council of the City of Novato does hereby authorize the Mayor, City Manager, or City Clerk to execute and record a certificate of acceptance relating to same.

* * * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Novato, Marin County, California, at a meeting thereof, held on the ____ day of _____, by the following vote, to wit:

AYES: Councilmembers
NOES: Councilmembers
ABSTAIN: Councilmembers
ABSENT: Councilmembers

_____
Sheri Hartz, City Clerk

Approved as to form:

_____
City Attorney of the City of Novato

CITY CLERK'S CERTIFICATE OF THE OWNER'S ACCEPTANCE OF A CONVEYANCE OF REAL PROPERTY AND ITS CONSENT TO RECORDATION

This is to certify that the interest in real property situated in Marin County, California, described in the attached Exhibits A, B, C and D to the Grant Deed (as described below), conveyed by Grant Deed dated March 8, 2011 from NOVATO FINANCING AUTHORITY to THE CITY OF NOVATO, a municipal corporation, is hereby accepted by the undersigned officer on behalf of the City of Novato pursuant to Resolution No. of the City of Novato, adopted March 8, 2011, and the grantee hereby consents to recordation thereof by its duly authorized officer.

Dated: March 8, 2011

_____

Novato City Clerk

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NOVATO FINANCING AUTHORITY APPROVING A BILL OF SALE TO ALLOW THE TRANSFER OF ALL PERSONAL PROPERTY HELD BY THE AUTHORITY TO THE CITY OF NOVATO

WHEREAS, the Novato Financing Authority ("NFA") is a joint powers agency formed between the City of Novato and the Redevelopment Agency of the City of Novato; and

WHEREAS, the City of Novato ("City") is a general law city and municipal corporation; and

WHEREAS, the Redevelopment Agency of the City of Novato ("RDA") is a redevelopment agency formed, existing, and exercising its powers pursuant to California Redevelopment Law, Health and Safety Codes Section 33000 et seq. and

WHEREAS, the NFA was formed in 1990 in order to act as an ownership entity for the purchase of the Marin Valley Mobile Country Club (MVMCC) mobile home park to protect the senior affordable housing offered at the park; and

WHEREAS, the formation of the NFA allowed the City to purchase the MVMCC through tax exempt bond financing without risking general fund revenues. Bond financing was issued, including senior and subordinate bonds. The RDA's involvement was limited to an Agreement to secure the subordinate bonds. This financial guarantee by the RDA was never exercised since the rent revenue from MVMCC was always sufficient to cover the debt. The subordinate bonds were paid off in 2010. As such, the RDA never expended any funds on the NFA owned assets at MVMCC; and

WHEREAS, the State of California is contemplating the adoption of its Fiscal Year 2011/2010 budget which includes a proposal to eliminate the 425 redevelopment agencies currently operating in California; and

WHEREAS, there is concern that the real and personal property assets held by the Novato Financing Authority, a joint powers agency formed by the RDA and the City, could be subjected to forced disposition if the RDA were abolished; and

WHEREAS, if the NFA were forced to liquidate its interest in MVMCC it would have a devastating impact on the affordability of the mobile home units at the mobile home park. Specifically, the MVMCC real and associated personal property could be acquired by a private entity that would be unrestrained from raising rents in the park, potentially leading to the displacement of low-income seniors; and

WHEREAS, the Board of Directors of the NFA approved the transfer of the NFA's real property assets to the City of Novato by separate resolution; and

WHEREAS, the NFA approved the property transfer to ensure the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to assure use of these assets in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC mortgage loan documents; and

WHEREAS, the original purchase of the MVMCC property, including the bond financing, could have been effected by the City alone at any time. In addition, the NFA Joint Powers Agreement provides for the assets to be transferred among the members of the Joint Powers Agency without regard to compensation; and

WHEREAS, significant staff and related financial support for ownership of the MVMCC by the NFA has come from the City since the MVMCC was purchased in 1997; and

WHEREAS, the transfer of the MVMCC to the City of Novato will avoid costly litigation, which would be paid from park funds that would likely ensue over any attempted forced sale, transfer, or joint ownership of the MVMCC; and

WHEREAS, the NFA and City, by separate resolutions have agreed to assign and assume, respectively, all of the obligations of the NFA with respect to the MVMCC Mortgage Loan Documents, thereby ensuring the continued compliance with the mortgage loan documents and any other obligations of the NFA; and

WHEREAS, the bond counsel has issued an opinion that the interest payments on the bonds issued for the MVMCC would remain tax exempt following the proposed transfer; and

WHEREAS, the City, by separate resolution, has consented to the proposed transfer of NFA's real property assets to the City of Novato; and

WHEREAS, the City Council has accepted the deed prepared to transfer NFA's real property to the City of Novato and has authorized the execution and recordation of a certificate of acceptance relating thereto; and

WHEREAS, the Board of Directors of the NFA has been requested to authorize the Executive Director of the Board to execute a bill of sale transferring any personal property held by the NFA to the City of Novato said personal property includes all personal property assets at the MVMCC or in the possession and control of others, including, but not limited to, equipment, fixtures, automobiles, mobile homes, and other personal property; and

WHEREAS, the proposed transfer of personal property held by the NFA to the City of Novato is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) by the general rule that

CEQA applies only to projects that have the potential to cause significant effects on the environment. The proposed transfer of personal property would not result in significant effects on the environment; and

WHEREAS, a public meeting of the Board of Directors of the NFA with respect to the proposed personal property transfer was duly held on the matter of the proposed transfer in accordance with applicable law; and

WHEREAS, the Novato Planning Commission considered the NFA's real property transfer and, by separate resolution, reported the transfer to be consistent with the Novato General Plan; and

WHEREAS, the Board of Directors of the NFA has considered all of the information, testimony, and evidence presented at the meeting concerning the proposed personal property transfer.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Novato Financing Authority does hereby resolve as follows:

Section 1: The foregoing recitals are true and correct and incorporated herein.

Section 2: The Novato Financing Authority hereby determines as follows:

A. The formation of the NFA allowed the City to purchase the MVMCC through tax exempt bond financing without risking general fund revenues. Bond financing was issued including senior and subordinate bonds. The RDA's investment was limited to an Agency pledge to secure the subordinate bonds. The financial guarantee of the RDA was never exercised since rent revenue from MVMCC was always sufficient to pay the bonds. The subordinate bonds were paid off in 2010. As such, the RDA never expended any funds on the NFA owned real or personal property assets at MVMCC.

B. The real and personal property transfers ensure that the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to assure use of these assets in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC mortgage loan documents.

C. The NFA and City, by separate resolutions, have agreed to assign and assume, respectively, all of obligations of the NFA with respect to the MVMCC Mortgage Loan Documents, thus ensuring the continued compliance with the mortgage loan documents and any other obligations assigned to the NFA;

D. The City's bond counsel has issued an opinion that the interest payments on the bonds tied to the MVMCC would remain tax exempt following the proposed transfer.

E. The RDA, by separate resolution, has consented to the proposed transfer of NFA's real property assets to the City of Novato

Section 3: The proposed transfer of personal property held by the NFA to the City of Novato is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) by the general rule that CEQA applies only to projects that have the potential to cause significant effects on the environment.

Section 4: By adoption of this resolution, the Board of Directors of the Financing Authority hereby approves of the transfer of all personal property owned by the Authority to the City of Novato and authorizes the Chair to execute a bill of sale relating to same and further authorizes the Chair to execute and deliver to the Department of Motor Vehicles or other entity or agency any and all documents necessary to effectuate the transfer of the NFA owned mobile homes and vehicles to the City of Novato.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Novato, Marin County, California, at a meeting thereof, held on the ____ day of _____, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
City of Novato Financing Authority

Attest:

_____
Secretary/Treasurer
Novato Financing Authority

BILL OF SALE

This is to acknowledge that the Novato Public Finance Authority, Transferor, 75 Rowland Way, #200, Novato, CA, has this day transferred to the City of Novato, Transferee, 75 Rowland Way, Novato, CA, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, all personal property of the Transferor.

The Novato Public Finance Authority, Transferor, hereby warrants that it is the lawful owner of the above described goods, free from the rightful claims of others and that it will defend the City of Novato's, Transferee, title to the goods against all persons or entities.

NOVATO PUBLIC FINANCE AUTHORITY

By Chairperson:

_____ **Dated:** _____

Madeline Kellner

CITY COUNCIL OF THE CITY OF NOVATO

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF NOVATO CONSENTING TO THE TRANSFER OF ALL REAL PROPERTY ASSETS HELD BY THE NOVATO FINANCING AUTHORITY TO THE CITY OF NOVATO

WHEREAS, the Novato Financing Authority ("NFA") is a joint powers agency formed between the City of Novato and the Redevelopment Agency of the City of Novato; and

WHEREAS, the City of Novato ("City") is a general law city and municipal corporation; and

WHEREAS, the Redevelopment Agency of the City of Novato ("RDA") is a redevelopment agency formed, existing, and exercising its powers pursuant to California Redevelopment Law, Health and Safety Codes Section 33000 *et seq*; and

WHEREAS, the NFA was formed in 1996 in order to act as an ownership entity for the purchase of the Marin Valley Mobile Country Club (MVMCC) mobile home park to protect the senior affordable housing offered at the park; and

WHEREAS, the formation of the NFA allowed the City to purchase the MVMCC through tax exempt bond financing without risking general fund revenues. Bond financing was issued, including senior and subordinate bonds. The RDA's involvement was limited to an Agency pledge to secure the subordinate bonds. This financial guarantee of the RDA was never exercised since the rent revenue from MVMCC was always sufficient to cover the bond debt. The subordinate bonds were paid off in 2010. As such, the RDA never expended any funds on the NFA owned assets at MVMCC; and

WHEREAS, the state of California is contemplating the adoption of its Fiscal Year 2011/2010 budget, which includes a proposal to eliminate the 425 redevelopment agencies currently operating in California; and

WHEREAS, there is concern that the real property assets held by the Novato Financing Authority, a joint powers agency formed by the RDA and the City, could be exposed to forced disposition if the RDA were abolished; and

WHEREAS, if the NFA were forced to liquidate its interest in MVMCC it would have a devastating impact on the affordability of the mobile home units at the mobile home park. Specifically, the MVMCC properties could be acquired by a private entity

that would be unrestrained from raising rents in the park, potentially leading to the displacement of low-income seniors; and

WHEREAS, the transfers are intended to ensure the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to assure use of these assets in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC Mortgage Loan Documents; and

WHEREAS, the original purchase of the MVMCC property, including the bond financing, could have been effected by the City alone at any time. In addition, the NFA Joint Powers Agreement provides for the assets to be transferred among the members of the Joint Powers Agency without regard to compensation; and

WHEREAS, significant staff and related financial support for the ownership of the MVMCC by the NFA has come from the City since the MVMCC was purchased in 1997; and

WHEREAS, the transfer of the MVMCC to the City of Novato will avoid costly litigation, which would be paid from park proceeds that would likely ensue over any attempted forced sale, transfer, or joint ownership of the MVMCC; and

WHEREAS, the NFA and City, by separate resolutions, have agreed to assign and assume, respectively, all of the obligations of the NFA with respect to the MVMCC Mortgage Loan Documents, thus ensuring the continued compliance with the mortgage loan documents and any other obligations of the NFA; and

WHEREAS, the City's bond counsel has issued an opinion that the interest payments on the bonds tied to the MVMCC would remain tax exempt following the proposed transfer; and

WHEREAS, the consent of the Board of Directors of the Redevelopment Agency of the City of Novato is required by the Housing Assistance Pledge Agreement in order to the transfer the MVMCC property from the NFA. In accordance with the Pledge Agreement consent is appropriate where the assignee: 1) assures the operation of the MVMCC will continue to comply with the Pledge Agreement; 2) provides reasonable evidence demonstrating that it is willing and capable of complying with terms of Pledge Agreement; and 3) executes all written documents required to assume the NFA's obligations without limitation as specified in the Pledge Agreement and Mortgage Loan Documents; and

WHEREAS, the Board of Directors of the NFA, by separate resolution, has approved an Assignment and Assumption Agreement by which the NFA has assigned all of its obligations under the Mortgage Loan Documents, including those specified in the Pledge Agreement, to the City of Novato; and

WHEREAS, The City Council of the City of Novato, by separate resolution, has approved an Assignment and Assumption Agreement by which the City has agreed to

assume all of the NFA's obligations under the Mortgage Loan Documents, including those specified in the Pledge Agreement; and

WHEREAS, the Novato Planning Commission considered the proposed property transfer and, by separate resolution, reported the transfer to be consistent with the Novato General Plan; and

WHEREAS, the transfer of the real and personal property held by the NFA to the City of Novato was found to be exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) by the general rule that CEQA applies only to projects that have the potential to cause significant effects on the environment. The proposed real and personal property transfers would not result in significant effects on the environment since the transfers do not: 1) contemplate any physical development proposals; 2) propose or result in any changes to existing land use limitations or development intensity; 3) alter or otherwise extinguish existing development restrictions applicable to the property; or 4) alter or otherwise extinguish any other city approved and currently valid development entitlement or building permit. No new or differing actual development or physical improvements are contemplated; and

WHEREAS, a public meeting of the Board of Directors of the RDA with respect to the proposed transfers was duly held in accordance with applicable law; and

WHEREAS, the Board of Directors of the RDA has considered all of the information, testimony, and evidence presented at the meeting concerning the proposed transfers.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Redevelopment Agency of the City of Novato does hereby resolve as follows:

Section 1: The foregoing recitals are true and correct and incorporated herein.

Section 2: The Redevelopment Agency of the City of Novato finds and determines as follows:

A. The formation of the NFA allowed the City to purchase the MVMCC through tax exempt bond financing without risking general fund revenues. Bond financing was issued, including senior and subordinate bonds. The RDA's involvement was limited to an Agency pledge to secure the subordinate bonds. This financial guarantee of the RDA was never exercised since the rent revenue from MVMCC was always sufficient to cover the bond debt. The subordinate bonds were paid off in 2010. As such, the RDA never expended any funds on the NFA owned assets at MVMCC.

B. The real and personal property transfers will ensure the City remains in control of the MVMCC property in order to ensure that the property remains in public use for the purpose of continued affordable housing, to assure use of these assets in a manner that is in the best interests of the community, and to ensure continued compliance with all of the MVMCC Mortgage Loan Documents.

C. The NFA and City, by separate resolutions have agreed to assign and assume, respectively all of obligations of the NFA with respect to the MVMCC Mortgage Loan Documents, including, but not limited to, the Pledge Agreement. Thus ensuring the continued compliance with the Mortgage Loan Documents and any other obligations of the NFA;

D. The City's bond counsel has issued an opinion that the interest payments on the bonds tied to the MVMCC would remain tax exempt following the proposed transfer.

E. The City is ready, willing, and capable of meeting the obligations of the MVMCC Mortgage Loan Documents, including those specified in the Pledge Agreement.

Section 3: The proposed transfer of the real property held by the NFA to the City of Novato is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) by the general rule that CEQA applies only to projects that have the potential to cause significant effects on the environment. The proposed real and personal property transfers would not result in significant effects on the environment since the transfers do not: 1) contemplate any physical development proposals; 2) propose or result in any changes to existing land use limitations or development density; 3) alter or otherwise extinguish existing development restrictions applicable to the property; or 4) alter or otherwise extinguish any other city approved and currently valid development entitlement or building permit. No new or differing actual development or physical improvements are contemplated; and

Section 4: By adoption of this resolution, the Board of Directors of the Novato Redevelopment Agency hereby consents to the transfer of all property held by the Novato Financing Authority to the City of Novato.

* * * * * *

PASSED AND ADOPTED by the Board of Directors of the Novato Redevelopment Agency of the City of Novato at a regular meeting held on the _____ day of _____, 2011.

_____
CHAIR, NOVATO REDEVELOPMENT AGENCY

ATTEST:

_____
CLERK

STATE OF CALIFORNIA)
COUNTY OF MARIN).ss
CITY OF NOVATO)

I, _____, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the said agency held on the _____ day _____, 2010, by the following roll call vote:

AYES:
NOES:
ABSENT:

_____

Attachment: