

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by PARK ACQUISITION CORPORATION OF MARIN VALLEY MOBILE COUNTRY CLUB, a California nonprofit mutual benefit corporation (the "PAC"), NOVATO FINANCING AUTHORITY, a California joint powers authority (the "Authority"), THE REDEVELOPMENT AGENCY OF THE CITY OF NOVATO, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Agency"), and FIRST TRUST OF CALIFORNIA, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, in its capacity as Dissemination Agent hereunder and in its capacity as trustee (the "Trustee") for the holders of the \$1,585,000 Subordinate Revenue Bonds, Series 1997B (Marin Valley Mobile Country Club Park Acquisition Project), Issued for the Benefit of the Novato Financing Authority (California), Facilitated by the California Local Government Finance Authority (the "Bonds") under the Trust Indenture between the California Local Government Finance Authority ("CLGFA") and the Trustee, dated as of March 1, 1997 (the "Indenture"). The PAC, the Authority, the Agency, the Dissemination Agent and the Trustee covenant and agree as follows:

Section 1. **Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the PAC, the Authority, the Agency, the Dissemination Agent and the Trustee for the benefit of the Holders and Beneficial Owners of the Bonds.

While the Delegation Agreement dated as of March 1, 1997, (the "Delegation Agreement") by and between the Authority and the PAC is in effect, the PAC, and upon termination of the Delegation Agreement, the Authority (the party then acting is herein referred to as the "Obligated Party") undertakes to provide the following information as provided in this Disclosure Agreement:

- (1) Project Annual Financial Information;
- (2) Project Audited Financial Statements, if any; and
- (3) Material Event Notices.

The Agency undertakes to provide Agency Audited Financial Statements as provided in this Disclosure Agreement.

Section 2. **Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Agency Audited Financial Statements*" means, in the case of the Agency, its annual audited financial statements.

"*Beneficial Owners*" means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

"*Dissemination Agent*" means First Trust of California, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Obligated Party and which has filed with the Trustee a written acceptance of such designation.

"*Holders*" means either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in its depository system.

"*Material Event*" means any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Nonpaymentrelated Events of Default under and as defined in the Indenture;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the taxexempt status of the Bonds;
- (vii) Modifications to rights of Bondholders;
- (viii) Bond calls (other than mandatory sinking fund redemptions);
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds; and
- (xi) Rating changes.

"*Material Event Notice*" means written or electronic notice of a Material Event.

"*Project Annual Financial Information*" means, in the case of the Obligated Party, the financial information or operating data with respect to the Project, provided at least annually, of the type included in Appendix A hereto, which Annual Financial Information may, but is not required to, include Project Audited Financial Statements, and which Annual Financial Information will include the then current Loan Payment Schedule in the form attached to the Loan Agreement as Exhibit B and the information contained in the following sections in the Private Placement Memorandum relating to the Bonds revised to reflect the prior Fiscal Year's actual results: (i) "THE PROJECT General Description" and (ii) "THE REDEVELOPMENT AGENCY OF THE CITY OF NOVATO." If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board.

"*Project Audited Financial Statements*" means, in the case of the Obligated Party, the annual audited financial statements of the Project, if any.

**Section 3. *Provision of Annual Reports.*** (a) While any Bonds are outstanding, the Obligated Party shall, or shall cause the Dissemination Agent to, provide the Project Annual Financial Information on or before September 1 of each year (the "Report Date"), beginning on or before September 1, 1998, to each Holder and Beneficial Owner of the Bonds for which it has actual knowledge of its respective identity and address. If the Dissemination Agent is to provide the Project Annual Financial Information, not later than 15 Business Days prior to said date, the Obligated Party shall provide the Project Annual Financial Information to the Dissemina-

tion Agent. The Obligated Party shall include with each such submission of Project Annual Financial Information to the Dissemination Agent a written representation addressed to the Dissemination Agent, upon which the Dissemination Agent may conclusively rely, to the effect that the Project Annual Financial Information is the Project Annual Financial Information required to be provided by it pursuant to this Disclosure Agreement and that it complies with the applicable requirements of this Disclosure Agreement. In each case, the Project Annual Financial Information may be submitted as a single document or as a set of documents, and all or any part of such Project Annual Financial Information may be provided by specific crossreference to other documents previously provided to the Holder and Beneficial Owner of the Bonds for which it has actual knowledge of its respective identity and address, or filed with the Securities and Exchange Commission and, if such a document is a final official statement within the meaning of the Rule, available from the Municipal Securities Rulemaking Board, as provided in the definition of Project Annual Financial Information. The Project Audited Financial Statements, if any, may, but are not required to be, provided as a part of the Project Annual Financial Information.

(b) If not provided as part of the Project Annual Financial Information, the Obligated Party shall, or, upon furnishing such Project Audited Financial Statements to the Dissemination Agent, shall cause the Dissemination Agent to, provide Project Audited Financial Statements when and if available while any Bonds are Outstanding to each Holder and Beneficial Owner of the Bonds for which it has actual knowledge of its respective identity and address.

(c) If by 15 Business Days prior to a Report Date the Dissemination Agent has not received a copy of the Project Annual Financial Information, the Dissemination Agent shall contact the Obligated Party to give notice that the Dissemination Agent has not received the Project Annual Financial Information and that such information must be provided to each Holder and Beneficial Owner of the Bonds for which it has actual knowledge of its respective identity and address by the applicable Report Date.

(d) The Dissemination Agent shall:

(i) determine prior to the Report Date the name and address of each Holder and Beneficial Owner of the Bonds for which it has actual knowledge of its respective identity and address; and

(ii) to the extent the Obligated Party has provided the Project Annual Financial Information to the Dissemination Agent, file a report with the Obligated Party certifying that the Annual Financial Information has been provided by the Dissemination Agent to each Holder and Beneficial Owner of the Bonds for which it has actual knowledge of its respective identity and address pursuant to this Disclosure Agreement, stating the date it was provided and listing each Holder and Beneficial Owner of the Bonds for which it has actual knowledge of its respective identity and address to which it was provided.

(f) If the Dissemination Agent does not receive the Project Annual Financial Information from the Obligated Party required by clause (a) of this Section by the applicable Report Date, the Dissemination Agent shall, without further direction or instruction from the Obligated Party, provide in a timely manner to each Holder and Beneficial Owner of the Bonds for which it has actual knowledge of its respective identity and address notice of any such failure to provide to the Dissemination Agent Project Annual Financial Information by the applicable Report Date. For the purposes of determining whether information received from the Obligated Party is Project Annual Financial Information, the Dissemination Agent shall be entitled conclusively to rely on the written representation made by the Obligated Party pursuant to this Section.

Section 4. **Reporting of Significant Events.** (a)(i) If a Material Event occurs while any Bonds are Outstanding, the Obligated Party shall provide a Material Event Notice in a timely manner to the Dissemination Agent and instruct the Dissemination Agent to provide such Material Event Notice in a timely manner to the

Holders and Beneficial Owners of the Bonds for which it has actual knowledge of its respective identity and address. Each Material Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

(ii) The Trustee shall promptly advise the Obligated Party and the Authority if it is not then the Obligated Party of any Material Event with respect to the Bonds of which the Trustee has actual knowledge. For purposes of this Disclosure Agreement, "actual knowledge" of such Material Event shall mean knowledge by a Responsible Officer of the Trustee at the Corporate Trust Office of the existence of such Material Event.

(b) Whenever the Obligated Party obtains knowledge of the occurrence of a Material Event, whether because of a notice from the Trustee pursuant to subsection(a) or otherwise, the Obligated Party shall as soon as reasonably possible determine if such event would constitute material information for Bondholders.

(c) If the Obligated Party provides to the Dissemination Agent information relating to the Obligated Party or the Bonds, which information is not designated as a Material Event Notice, and directs the Dissemination Agent to provide such information to the Holders and Beneficial Owners of the Bonds, the Dissemination Agent shall provide such information in a timely manner to the Holders and Beneficial Owners of the Bonds for which it has actual knowledge of its respective identity and address.

**Section 5. *Provision of Agency Audited Financial Statements.*** (a) While any Bonds are outstanding and the Agency is obligated to pay the Pledge Amount under the Pledge Agreement upon the occurrence of certain events, the Agency shall, or shall cause the Dissemination Agent to, provide Agency Audited Financial Statements on or before February 1 of each year (the "Agency Report Date") beginning on February 1, 1998, to each Holder and Beneficial Owner of the Bonds for which it has actual knowledge of its respective identity and address. If the Dissemination Agent is to provide the Agency Audited Financial Statements, not later than 15 Business Days prior to said date, the Agency shall provide the Agency Audited Financial Statements to the Dissemination Agent.

(b) If by 15 Business Days prior to an Agency Report Date the Dissemination Agent has not received a copy of the Agency Audited Financial Statements, the Dissemination Agent shall contact the Agency to give notice that the Dissemination Agent has not received the Agency Audited Financial Statements and that such information must be provided to each Holder and Beneficial Owner of the Bonds for which it has actual knowledge of its respective identity and address, by the applicable Agency Report Date.

(c) The Dissemination Agent shall:

(i) determine prior to the Agency Report Date the name and address of each Holder and Beneficial Owner of the Bonds for which it has actual knowledge of its respective identity and address; and

(ii) to the extent the Agency has provided the Agency Audited Financial Statements to the Dissemination Agent, file a report with the Agency certifying that the Agency Audited Financial Statements have been provided by the Dissemination Agent to each Holder and Beneficial Owner of the Bonds for which it has actual knowledge of its respective identity and address, pursuant to the Disclosure Agreement, stating the date it was provided and listing each such Holder and Beneficial Owner to which it was provided.

(d) The Agency shall provide written notice to Financial Security Assurance, Inc., within 30 days after any change made by the Agency with respect to the timing of the official fiscal year period of the Agency.

**Section 6. *Termination of Reporting Obligation.*** The PAC's, the Authority's, the Agency's, the Dissemination Agent's and the Trustee's obligations under this Disclosure Agreement shall automatically terminate

once the Bonds are no longer outstanding.

Section 7. **Dissemination Agent.** The Obligated Party may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent upon notice to the Dissemination Agent. The Dissemination Agent may resign at any time by providing 30 days' written notice to the Obligated Party and the Authority if it is not then the Obligated Party. The initial Dissemination Agent shall be First Trust of California, National Association.

Section 8. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the PAC, the Authority, the Agency, the Dissemination Agent and the Trustee may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived by the parties hereto, if such amendment or waiver is approved by a majority of the Holders of the Bonds then outstanding under the Indenture; provided that neither the Trustee nor the Dissemination Agent shall be obligated to agree to any amendment that modifies the duties or liabilities of the Dissemination Agent or the Trustee without their respective consent thereto.

Section 9. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the PAC, the Agency and the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Project Annual Financial Information or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Agreement. If the PAC, the Agency or the Authority chooses to include any information in any Project Annual Financial Information or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Agreement, the PAC, the Agency and the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Project Annual Financial Information or notice of occurrence of a Material Event.

Section 10. **Default.** In the event of a failure of the PAC, the Agency or the Authority, the Dissemination Agent or the Trustee to comply with any provision of this Disclosure Agreement, the Trustee, at the written direction of the Holders of at least 25% in aggregate principal amount of Outstanding Bonds, shall, but only to the extent the Trustee receives indemnification to its satisfaction, or any Beneficial Owner or Holder of any of the Bonds may seek mandate or specific performance by court order, to cause the PAC, the Authority, the Agency, the Dissemination Agent or the Trustee, as the case may be, to comply with its obligations under this Disclosure Agreement; provided that neither the PAC, the Authority, the Agency, the Dissemination Agent nor the Trustee shall be liable for monetary damages or any other monetary penalty or payment for breach of any of its obligations under this Section unless such breach shall have been willful or reckless. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of an "Event of Default" shall not apply to any such failure. The sole remedy under this Disclosure Agreement in the event of any failure of the Authority, the PAC, the Agency, the Dissemination Agent or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. **Duties, Immunities and Liabilities of Trustee and Dissemination Agent.** Article IX of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) and the Trustee shall have only such duties as are specifically set forth in this Disclosure Agreement, and the PAC agrees to indemnify and save the Dissemination Agent and the Trustee and their officers, directors, employees and agents harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or Trustee's respective negligence or willful misconduct. The Dissemination

Agent shall be paid compensation by the Obligated Party for its services provided hereunder and all expenses, legal fees and advances made or incurred by the Dissemination Agent hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the Obligated Party or the Agency hereunder and shall not be deemed to be acting in a fiduciary capacity for the Obligated Party, the Agency, the Holders or Beneficial Owners of the Bonds or any other party. The obligations of the Obligated Party under this Section shall survive resignation or removal of the Dissemination Agent or Trustee and payment of the Bonds.

Section 12. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the PAC, the Authority, the Agency, the Trustee, the Dissemination Agent, CLGFA and the Beneficial Owners and Holders of any Bonds and shall create no rights in any other person or entity.

Section 13. **Conduit Facilitator.** All parties hereto recognize and agree that CLGFA is acting in the transactions contemplated herein solely in a conduit facilitating role to assist the substantive parties in achieving their goals; CLGFA is not a substantive party to such transaction; and CLGFA's agreements and obligations hereunder are solely for the purpose of passing through funds and substantive agreements and obligations of such substantive parties.

Section 14. **Governing Law.** This Disclosure Agreement shall be governed by the laws of the State of California.

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Dated as of: March1, 1997

NOVATO FINANCING AUTHORITY

By \_\_\_\_\_  
TitleChair \_\_\_\_\_

MARIN VALLEY MOBILE COUNTRY

PARK ACQUISITION CORPORATION OF CLUB

By \_\_\_\_\_  
TitlePresident \_\_\_\_\_

NOVATO

REDEVELOPMENT AGENCY OF THE CITY OF

By \_\_\_\_\_  
TitleChair \_\_\_\_\_

FIRST TRUST OF CALIFORNIA, NATIONAL ASSOCIATION, as Trustee and as Dissemination Agent

By \_\_\_\_\_  
Title \_\_\_\_\_

**APPENDIX A**

**ANNUAL DISCLOSURE REPORT**

\$1,585,000  
Subordinate Revenue Bonds, Series 1997B  
(Marin Valley Mobile Country Club Park Acquisition Project)  
Issued for the Benefit of the  
Novato Financing Authority (California)  
Facilitated by the  
California Local Government Finance Authority

Report For Period Ending \_\_\_\_\_

**THE PROJECT**

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Occupancy

Number of Spaces \_\_\_\_\_  
Number of Spaces Occupied as of Report Date \_\_\_\_\_

Rental Rates

Average \$ \_\_\_\_\_  
Low \$ \_\_\_\_\_  
High \$ \_\_\_\_\_

RENTAL INCOME

OTHER REVENUE

Total Revenue

EXPENSES

Salaries and Wages

Employee Benefits

Professional Services

Supplies and Other

Depreciation and Amortization

Interest Expense

Total Expense

Gain (loss) From Operations

NONOPERATING GAINS

Interest Income

EXPENSES IN EXCESS OF  
REVENUE AND GAINS

ADD BACK:

Depreciation and Amortization  
Interest Expense

NET OPERATING INCOME