

M David Kroot December 9, 2015

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Mr. Minh C. Tran
County Counsel
County of Napa
1195 Third Street, Suite 301
Napa, CA 94559

Kathleen Dreessen
Executive Director
Napa Valley Community Housing
Five Financial Plaza, Suite 200
Napa, CA 94558

Re: Potential Conflict of Interest –Silverado Creek, City of Napa

Dear Mr. Tran and Ms. Dreessen:

We are writing this letter to advise the County of Napa (the "County") and Napa Valley Community Housing ("NVCH") of a potential conflict of interest by Goldfarb & Lipman LLP and to request your acknowledgement and consent to such potential conflict of interest in connection with the existing Silverado Creek affordable housing project (the "Project") constructed in 2002 in the City of Napa.

I. Existing Relationships.

The County is an existing client. Goldfarb & Lipman represents the County in regard to various matters pertaining to land use, housing, and funding of affordable housing and related projects.

NVCH is also an existing client. We represent NVCH in other unrelated affordable housing transactions.

II. Current Transaction.

NVCH and BRIDGE Housing Corporation ("BRIDGE") jointly control the Project as general partners. An affiliate of BRIDGE, Calistoga Brennan Housing, Inc., is proposing to acquire a limited partnership interest in the Project. Goldfarb & Lipman has been asked by the County to represent it in connection with drafting new loan documents or amendments to existing loan documents related to the Project. NVCH will be represented by separate legal counsel in connection with the Project.

San Francisco
415 788-6336

Los Angeles
213 627-6336

San Diego
619 239-6336

Goldfarb & Lipman LLP

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Ms. Kathleen Dreessen
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III. Potential Conflict of Interest.

While no conflict currently exists regarding our proposed work for the County, as attorneys, we are governed by specific rules relating to our representation of clients when potential conflicts of interest exist. According to Rules 3-310 (A), (B), (C), and (E) of the Rules of Professional Conduct of the State Bar of California, we must disclose certain information, and obtain the written consents of the County and NVCH in order to represent the County in relation to the Project.

Our representation of the County in relation to the Project could potentially create a conflict of interest for Goldfarb & Lipman related to, among other matters, our duty of loyalty to existing clients, as the interests of NVCH and the County related to the Project could potentially become adverse. At this time, we do not feel that there is an actual conflict of interest for Goldfarb & Lipman, and we believe that we can competently represent the County in this transaction and still maintain our duty of loyalty to NVCH in the unrelated matters. In addition, we do not believe that we have obtained any confidential information from NVCH which is material to our proposed representation of the County. However, if an actual conflict should arise related to the Project in which (i) we could not maintain our duty of loyalty to NVCH in the unrelated matters, (ii) the issue of dispute is substantially related to the same issue in which we have represented NVCH, or (iii) we have obtained any confidential information from NVCH which is material to our representation of the County, we would require the additional written consent of the County and NVCH before we could continue to represent the County regarding the Project.

If, after considering the foregoing, you are willing to consent to Goldfarb & Lipman's representation of the County regarding the Project, please sign and return to us the copy of this letter (i) acknowledging that the County and NVCH have been advised of the potential conflict of interest associated with our representing the County regarding the Project, and (ii) indicating that the County and NVCH nevertheless each consent to our representing the County regarding Project.

If you have any questions regarding this letter, please call before signing and returning the enclosed copy of this letter.

Sincerely,



BARBARA E. KAUTZ



ROBERT C. MILLS

CONSENT

Goldfarb & Lipman has explained to the undersigned that a potential conflict of interest exists in regard to the above-described matter and has informed the undersigned of the possible consequences of this conflict. The undersigned acknowledges the disclosure of Goldfarb & Lipman's past and continuing representations of NVCH and the County, the potential conflicts arising from such representation, and the consequences of any actual conflicts that may arise. The undersigned nevertheless consents to the representation by Goldfarb & Lipman of the County in connection with the Project.

The undersigned understands that it has the right to seek independent counsel before signing this consent or at any future time.

Dated: _____

COUNTY OF NAPA, a political subdivision of the
State of California

By: _____
Minh C. Tran, County Counsel

Dated: _____

Napa Valley Community Housing, a California
nonprofit public benefit corporation

By: _____
Kathleen Dreessen, Executive Director