

NOVATO FINANCING AUTHORITY

75 Rowland Way #200, Novato, CA 94945-5054

415/899-8900 • FAX 415/899-8213

BOARD OF DIRECTORS

REGULAR MEETING – AGENDA AND NOTICE

Wednesday, October 13, 2010 – 6:30 P.M.

Marin Valley Mobile Country Club, 100 Marin Valley Drive

- A. Call to Order
- B. Approval of Final Agenda
- C. Public Comment
All members of the public wishing to address the Board are requested to form a line when the Public Comment period commences. Come forward and state your name. There is a three minute time limit.
- D. Consent Calendar
All matters listed on the Consent Calendar are considered to be routine and will be enacted by a single action of the Board. There will be no separate discussion unless specific items are removed from the Consent Calendar for separate discussion and action.

D-1: Approve Minutes of June 21, 2010 and August 23, 2010
- E. Old Business
E-1: Report on Redevelopment Agency Approval of No Rent Increase for MVMCC Residents for FY 10/11 at July 27, 2010 Meeting
E-2: Report on Approval from Financial Security Firm to Transfer \$28,000 from the Cash Trap to the Capital Replacement Reserve
- F. New Business
F-1: 10-Year Physical Needs Reserve Analysis – Consider and authorize/require budget amendment to appropriate up to \$25,000 as a Transfer from the Senior Cashtrap Account for the preparation of Property Condition Analyses and Report(s) with the approval of Financial Security Firm (Attachment)
F-2: Delegation Agreement Negotiation (Attachment) – Consider and possibly take action to:
 - 1. Appoint Chairperson MacLeamy and one other NFA Board Member to serve in an ad-hoc capacity to advise staff in negotiations as necessary;
 - 2. Consider public comments received to date;
 - 3. Direct the NFA staff to negotiate with PAC sub-committee on the Delegation Agreement and Management Agreement to return by mid-January with recommendations to NFA Board;
 - 4. Provide direction to NFA staff regarding negotiation on broad issues and interests; and,
 - 5. Direct staff to send copy of 10/13 Staff Report and Minutes to Financial Security firm and to communicate on proposed changes to the Delegation

Agreement/Management Agreement during the negotiation process.

G. General Business

G-1: Presentation of Bucket Analysis for Periods Ending June 30, 2010 (Attachment)

G-2: PAC Update: Michael Holland

G-3: Park Management Update: Al Frei

H. Board/Staff Comments

H-1: Confirm Next Meeting Date: January 18, 2011

I. Adjournment

* In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Tim Wong at 899-8257. Notification at least 48 hours prior to the meeting will enable the City to make reasonable accommodation to help insure accessibility to this meeting.

A copy of the NFA Agenda packet may be viewed at the MVMCC front counter.

AFFADAVIT OF POSTING

I, Tim Wong, certify that on October 5, 2010, caused to be posted the agenda of the October 13, 2010 meeting of the Novato Finance Authority of the City of Novato, California on the City of Novato Community Service Board in the Police Department and City Hall and the Marin Valley Mobile Country Club.

Tim Wong, Housing Coordinator

NOVATO FINANCING AUTHORITY

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**BOARD OF DIRECTORS
REGULAR MEETING
Monday, June 21, 2010 - 10:00 A.M.
Marin Valley Mobile Country Club
100 Marin Valley Drive**

MINUTES

A. CALL TO ORDER 10:11 am

Board Members Tiernan and Lucan absent

B. APPROVAL OF FINAL AGENDA

C. PUBLIC COMMENT

Jim Olson – spent over \$600 for the NFA election for a single candidate. He asked NFA if it was possible for a simpler procedure when there is only one candidate.

D. CONSENT CALENDAR

D-1 Approval of Minutes from February 8, 2010 meeting.

Board Member Brown motions/Board Member Dole seconds.

All approved

E. NEW BUSINESS

E-1 Review and Approval of 2010-2011 Budget and Capital Plan including Waiver of Rent Increase.

Staff Member Capriola gave a short introduction about the 2010-2011 budget including a PAC proposal of no rent increase.

Mike Holland replied that this budget is not too dissimilar from past budgets. PAC is not asking for a rent increase because of adequate revenues. The revenues are sufficient to

cover annual maintenance, bond payments and capital budget. PAC is asking for a modest increase in humanitarian fund. It is administered by Frei Property Management. Senior debt ratio is 1.25 for next fiscal year.

Staff Member Capriola clarified that no rent increase will require the approval of the Redevelopment Agency. Staff Member Nebb added documents require a minimum 75% of CPI increase and anything less that the NFA action would be contingent on RDA approval. Board Member MacLeamy asked if the action was needed by a certain date and staff responded there was not.

Public Comment

Mike Holland had a quick memo clarification of the memo prepared by Staff Member Wong. The \$550,000 contribution goes into the capital project line item and not the reserves.

Board Member Brown motions to approve the budget as submitted with waiver of rent increase conditioned on RDA approval.

Board Member Dole seconds.

All approved.

Board Member Brown motions to accept the budget as submitted and if the RDA does not approve the rent increase waiver, the minimum rent adjustment will be placed in the capital plan as amended by Al Frei.

Board Member Dole seconds.

All approved.

E-2 Information and Provide Staff Direction for Delegation Agreement

Staff Member Nebb gave a short summary of the Delegation Agreement. It delegates the day-to-day operations from the Owner (NFA) to PAC. PAC has then entered into a Management Agreement with Al Frei for the everyday management. As part of the Delegation Agreement, the negotiation period to negotiate various aspects of the Agreement starts on October 1 and ends January 31. If no agreement is reached by January 31, the NFA replaces the PAC and takes over the day-to-day management of the park.

Board Member MacLeamy stated that today is to provide direction based on timeline in staff report. Staff Member Capriola explained that today is overview of the process. August 23 will be a workshop to solicit public input of Delegation Agreement. NFA will listen to the comments but no make decisions will be made. The regularly scheduled October meeting will provide direction to staff about negotiations. The January meeting will be to take action on the Delegation Agreement. Staff recommends two members of

the Board form an ad-hoc committee, for communication and consultation. Board Member MacLeamy stated when in negotiation, primary staff members would be Staff Members Nebb and Capriola. They would negotiate with PAC representatives. There is no urgency to select the NFA members at this meeting. August 23 could be a morning or evening session depending on public input. Council Member Dole asked if the agreement itself is subject to FSA or RDA approval. Staff Member Nebb responded no but the revised agreement will be sent to FSA.

Public Comment

Maureen Mason – She is concerned that people in the park are not comfortable in speaking in public. Can people comment on the Agreement via email or other correspondence? She wants to make sure that everyone is comfortable in being able to comment on the Delegation Agreement.

Nate Sherman – In the negotiation, will the price of the park be negotiated? Staff Member Nebb clarified this negotiation does not have anything to do with the price of the park, just the management of the park.

Board Member MacLeamy asked Mike Holland what time of day would work best for the meeting. He responded either may work but not sure about neighbors. Staff Member Nebb suggested an early evening/late afternoon meeting. Most people at this meeting can make the evening meeting.

Board Member MacLeamy stated that this was more to provide direction to staff about the process. Should the meeting be 6:00 or 6:30 pm?

F. OLD BUSINESS

F-1 Status of \$28,000 FSA request and \$130,000 RDA Pledge Account Request

Staff Member Capriola gave a quick update with both requests. FSA has not responded yet, but staff does not anticipate any issues but to expedite the request. If pushed for a more timeline decision, then the NFA would need to pay the FSA a fee. Hopefully, they will respond in the next fiscal year. There is a placeholder in the next fiscal year budget for the FSA request.

The \$130,000 Pledge account was approved by the Redevelopment Agency and the funds will be available for next fiscal year. Staff Member Lauchner will be finalizing the details to minimize transfer costs.

Public Comment

Mike Holland – He wants to make sure not to run into any issues during the transfer. The resolution stated that the funds would be transferred to the capital account and Staff Member Lauchner had mentioned transferring it into the Owner account. Will that be

any issue? Staff Member Capriola responded that this is a transactional issue and staff understands the RDA intent to transfer funds to the capital improvements account.

G. GENERAL BUSINESS

G-1 Bucket Analysis for Period Ending March 31, 2010

Staff Member Capriola summarized bucket analysis figures.

There was no public comment.

G-2 Park Management Update: Al Frei

He did not have anything additional to report. Next fiscal year, they will start exploring what to do with east wall and deck repair. Those are the main projects. Deck repairs is out to bid. They just signed contracts for retaining walls. There is more asphalt work. All these are in the capital plan.

Board Member MacLeamy asked before. This is largest facility have you done a seismic study done on the facility? When built, 1969. Board Member MacLeamy asked if it was appropriate to consider a seismic analysis to bring up to day with overall structural integrity. Al Frei replied that one has not been done. Board Member MacLeamy responded that since the clubhouse is an emergency facility, they should inquire about the cost of doing a study. There appeared to be general consensus of the Board about this request.

G-3 Update from PAC: Michael Holland

Not much of an update. Mike Read is the new PAC member. There is the new budget with an emphasis on capital reserves. Our intent to go low as required in terms of rent increase that is allowed into the indefinite future.

Board Member MacLeamy asked that since there are still some unknowns, are you confident that there are enough in reserves to cover those expenses? Mike Holland responded that they are working towards reserves of \$1-1.5 million. It is a balance between current versus future residents.

H. BOARD/STAFF COMMENTS

H-1: Confirm next meeting date: August 23, 2010

It will be an early evening meeting to accommodate all comments. Correspondence can also be sent to the City Housing Coordinator, Tim Wong.

Bob Lemon – He has lived here for over 9 years and active. He is moving to Portland, OR. He commented that this situation is completely unique and one of the most protected parks in the state. NFA, PAC and AF have managed and protected the park. He will miss the activities here at MVMCC.

Patrick Wheatley – special pub night for Bob and his wife Tuesday, 7/2 at 5 pm and NFA is invited.

ADJOURN 10:54 am

DRAFT

NOVATO FINANCING AUTHORITY

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**BOARD OF DIRECTORS
DELEGATION WORKSHOP
Monday, August 23, 2010 – 6:30 P.M.
Marin Valley Mobile Country Club
100 Marin Valley Drive**

MINUTES

- A. CALL TO ORDER 6:38 pm**
- B. APPROVAL OF FINAL AGENDA**
- C. PUBLIC COMMENT**
- D. WORKSHOP ON DELEGATION AGREEMENT**

Presentation from Staff Member Capriola about how residents can provide input into the negotiation of the Delegation Agreement. Individuals are welcome to send in letters to Tim Wong. Email is also acceptable since not all residents are comfortable speaking in public. Confidentiality can be done with anonymous letters or private meetings with staff are also an option. An email with name and address or signed letter is part of the public record and will be provided as part of the NFA packet.

Staff provided a review of the timeline. By 9/15, staff will provide a consolidated list of all comments, suggestions, etc. for the 9/20 meeting. At the 9/20 meeting, NFA will provide direction and appoint ad hoc committee comprised of the Chair and one other Board Member. At the January 18th meeting, the NFA board will take an action on the Delegation Agreement.

Staff Member Nebb spoke about the negotiation process of the Delegation Agreement. The Delegation Agreement is a legal document between NFA (owner) and PAC (operator). The Management Agreement is an attachment to the Delegation Agreement. The Delegation Agreement sets forth what the park manager must do as outlined in the Management Agreement. The Delegation Agreement outlines roles, duties, and various details between PAC, NFA, FSA, and the Property Manager. The Delegation Agreement is to be reviewed at certain intervals, specifically in 2010 and 2025. Staff Member Nebb provided further information of the negotiation process.

Public Comment

Jim Hirais – Brief history presentation of the park. Stated he was the only living person left who founded the PAC. He has served on all levels on the PAC Board and believes in the PAC board. It was formed to negotiate with Paul Sade. Formed solely to acquire the park with first right of refusal. The PAC was denied by banks for lack of experience. Found bond negotiator but was denied by FSA. PAC then went to City and established a way to purchase the park. Some things

were left out of the Delegation Agreement due to inexperience of both parties. The PAC was to hold the title to the park. He outlined some suggestions including an additional workshop for better checks and balances, changes to PAC bylaws including adherence to Brown Act and term limits for PAC Board Members.

Bill Davis – Thanked PAC and NFA. It is a difficult park to manage with complex infrastructure. As Secretary of the MVSC, speaking for the MVSC, they support the Delegation Agreement that is currently in effect. Very few changes should be made. Meetings have always been open and minutes are posted on the board. Hope to continue as is.

Peggy Hill – PAC has done a lot of work. The Board Members serve with integrity, intelligence and transparency in serving the park. The process is set up as a republican form of government and not a direct democracy. Members are voted to represent the people. Those elected are fairly elected. Don't know if term limits would work and might be too much micromanagement.

Dave Harrington – Need to ensure a way of verifying comments as coming from a park resident. Possibly cross check with the NFA election list. All input should be available for the public so there is no question of the transparency.

Joseph De Avila – He is against releasing all comments to the public. There is a sense of some things they say might be held against them. He wants an effective PAC that can manage and not protect their office. Final goal is for PAC to purchase the park.

Valerie Barbour – She is not speaking on behalf of HOL, but the Marin Valley Concerned Residents group. This is a wonderful opportunity to comment on the PAC and contract with City. She has a few concerns and will submit comments.

Marvin Thompson – Believes the existing board members have acted in good faith and doing the best they can. Who is doing the negotiation between PAC and Frei Real Estate? He supports the PAC's actions.

Staff Member Nebb responded to Mr. Thompson's questions and explained confidentiality. If a signed letter or name is indicated on the correspondence or if the identity is obvious, the correspondence will become part of the public record. If the correspondence is anonymous, the comments will be public but not the identity. Oral comments will be taken into consideration but not their identity or individual comments. The oral comments will be summarized and consolidated to the NFA.

The Management Agreement is an attachment to the Delegation Agreement. In the original Delegation Agreement, the form of the Management Agreement was dictated by the NFA to the PAC in what was required in the Management Agreement between PAC and the park management. So as part of the Delegation Agreement negotiation, the terms in the Management Agreement will be reviewed. So the NFA may revise the Management Agreement and advise the PAC about those revisions as part of the PAC's negotiation with the park manager. Staff Member Capriola clarified, in terms of the comments received, staff will provide an aggregate of the notes and comments. Confidential comments will be put in the aggregate. Comment period ends at noon, September 15th. Staff will then prepare staff report with all comments for the 9/20 meeting. Staff report will

go out Friday previous, maybe Thursday. No way to confirm residency but if it is an anonymous comment, it will be treated as part of the aggregate comments.

Michael Holland – Negotiation process from 10/1 to 1/19. What restrictions will be in place in regards to communication? Are there any restrictions on any of the negotiation content? The negotiations will be done in closed session. There will not be any public meetings on the status of the negotiation until the final negotiation is completed. Both parties may agree for periodic public updates but not required. So if any PAC Board member is questioned during the negotiation period, the member should not discuss? NFA does not control what the PAC Board does but PAC should not discuss the status since it is a private discussion.

Julie Hanson – Who does the negotiations?

Staff commented that the negotiations will be done by staff members with direction from the NFA ad-hoc subcommittee. PAC will have two representatives from their Board in the negotiations.

Ray Schneider – Once negotiations are complete, is there any opportunity for residents to comment or provide input?

Staff will accept all public comment received by September 15. Based on those comments staff will prepare recommendations for NFA consideration and the public will be able to comment on the staff recommendations prior to Board approval. The 1/18 meeting is for public input prior to the Board taking final action.

Jim Hiraïs -- He suggests that the NFA direct PAC do the same for public input on the PAC side of the negotiation process.

Julie Hanson – She did not understand the Delegation Agreement. Staff will send her the Board packet.

Joseph De Avila - Had questions about the 10/1 negotiation process with PAC. Does it need to be PAC members? When is the last time to comment?

Staff Member Nebb responded that it is up to the PAC who represents them. It is not for the NFA to choose PAC reps. 9/15 is the deadline to submit comments for NFA consideration. The public has input by 9/15. On 9/20, at the meeting, the NFA can hear the comments and comment more at the meeting.

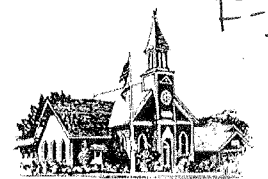
Ray Schneider – For the 1/18 meeting, will the board packet be available a week in advance? Yes.

Miriam Spross -- Thank you. The park has benefited from the City participation.

E. BOARD/STAFF COMMENTS

E-1: Confirm next meeting date: September 20, 2010 at 9 a.m.

ADJOURN 7:37 p.m.



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STAFF REPORT

DATE: October 13, 2010

TO: Chair MacLeamy and Board Members
Novato Financing Authority

FROM: Cathy Capriola, Assistant Agency Executive Director
Veronica A. F. Nebb, Agency Counsel
Tim Wong, Housing Coordinator

SUBJECT: 10-Year Physical Needs Reserve Analysis – Consider and authorize/require budget amendment to appropriate up to \$25,000 as a Transfer from the Senior Cashtrap Account for the preparation of Property Condition Analyses and Report(s) with the approval of Financial Security Firm

REQUEST

Approve funding and direct staff to work with Financial Security Assurance, Inc. (FSA) to have a comprehensive 10-Year Physical Needs Reserve Analysis completed for the park. Approve funding parameters for study.

RECOMMENDATION

Staff recommends the NFA take the following actions:

1. Work with FSA and staff to have a 10-Year Physical Needs Reserve Analysis and other necessary analyses completed for MVMCC.
2. Approve up to \$25,000 for a comprehensive infrastructure and capital assessments in order to determine a more strategic long term capital improvement plan.

DISCUSSION

Pursuant to the terms of the Marin Valley Mobile Country Club Park Management Agreement (Section10), the following is to be completed.

“During the last fiscal quarters of 2007 and 2017, the Controlling Party's consulting engineer, as an operating expense of the Project, shall conduct a new 10-year physical needs reserve analysis with respect to the Project. Findings of such analysis shall be set forth in a written report (the "Physical Needs Report") delivered to the Controlling Party, CLGFA, the Trustee, Financial Security, the Owner, the PAC and the Contractor. The Owner and the Contractor shall prepare successive Capital Plans based upon the findings of the Physical Needs Report.”

Novato Financing Authority Agenda Staff Report Date: _____ File No. _____
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During a thorough review of the Delegation Agreement and Management Agreement, this physical needs analysis requirement was discovered. After discussions with FSA, staff has concluded that this analysis was not conducted in 2007. FSA agrees that this analysis should be conducted now.

Staff will have more information available at the October 13th meeting regarding the overall scope and projected cost for the studies.

FISCAL IMPACT

The exact cost of the analysis is not known at this time. Staff recommends that the NFA Board approve up to \$25,000 for these analyses as a placeholder.

ALTERNATIVES

1. None exist; requirements of Management Agreement.

F-2



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STAFF REPORT

DATE: October 13, 2010

TO: Chair MacLeamy and Board Members
Novato Financing Authority

FROM: Cathy Capriola, Assistant Authority Executive Director
Veronica A. F. Nebb, Authority Counsel
Tim Wong, Housing Coordinator

SUBJECT: Delegation Agreement Negotiation: Report on Public Input, Appointment of Ad-Hoc Sub-Committee, and Provide Direction to Staff Regarding Broad Issues and Interests

REQUEST

As outlined in the Delegation Agreement between the Novato Financing Authority (a Joint Powers Authority of the City Council and Redevelopment Agency) and the Park Acquisition Corporation (PAC), now is the time for renegotiation of the Delegation Agreement and Management Agreement. Staff recommends broad direction to negotiate these detailed and interwoven agreements.

RECOMMENDATION

Staff recommends the NFA take the following actions:

1. Appoint Chairperson MacLeamy and one other NFA Board Member to serve in an ad-hoc capacity to advise staff in negotiations as necessary;
2. Consider public comments received to date;
3. Direct the NFA staff to negotiate with PAC sub-committee on the Delegation Agreement and Management Agreement to return by mid-January with recommendations to NFA Board;
4. Provide direction to NFA staff regarding negotiation on broad issues and interests; and,
5. Direct staff to send copy of 10/13 Staff Report and Minutes to Financial Security firm and to communicate on proposed changes to the Delegation Agreement/Management Agreement during the negotiation process.

DISCUSSION

Pursuant to the terms of the Marin Valley Mobile Country Club Park Delegation Agreement (Section 4.02), the Agreement is subject to periodic renegotiation at certain specified periods. The first such specified period begins on October 1, 2010 and ends on January 31, 2011. The Management Agreement (Section 4.0) also states the same renegotiation period and outlines that the PAC Board, the Property Manager and the Owner are parties to review the

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Management Agreement. Both documents require written consent of the Financial Security firm (known prior as FSA - Financial Security Assurance, now Assured Guaranty Municipal Corporation) prior to amendments of the agreements.

During this period, NFA and PAC representatives are to meet to review the agreement and, if necessary, to renegotiate one or more of the terms thereof. If the NFA and PAC agree to modifications of the Delegation Agreement, then the modifications become incorporated as amendments. If the PAC and NFA are unable to come to agreement by January 31, then the Delegation Agreement terminates as of January 31. In this instance, Section 4.0 of the Management Agreement states that if the “Delegation Agreement is terminated, the Owner shall assume all of the rights, duties and obligations of the PAC contained herein”.

Public Input Process

In order to gain input from residents and direction from the NFA Board, staff recommended a process for input that was agreed upon at the August 23rd NFA meeting. The process includes the following components – education and information; input and feedback by residents; direction by the NFA; negotiation; and finally agreement on any modifications to the Delegation Agreement. The goal is to gain input and direction in August and September, negotiate in October through December, and finalize the Agreement(s) for consideration in January.

Below is a timeline for consideration by the NFA.

Date	Responsible Party	Action / Event
June 21	NFA Staff	NFA Regular Meeting -- Provided overview of information on the Delegation Agreement and obtained initial input on process for renegotiation.
August 23	NFA Workshop	NFA Special Meeting -- Held workshop for resident input (evening session).
September 20 October 13	NFA Meeting	Regular Meeting – NFA Board to appoint sub-committee and to provide broad direction to staff regarding negotiation of the Delegation Agreement.
After October 13	NFA & PAC	Window opens for negotiations.
January 18	NFA meeting	Regular meeting – Action on the Delegation Agreement
January 31	NFA & PAC	Deadline for an Agreement to be negotiated and approved.

Negotiations Process

Staff recommends that the NFA Board provide direction to staff regarding negotiations on the Delegation Agreement in open session on October 13. This date was moved from September 20th originally due to requests to extend the public input period through the September 24.

Prior to the start of the negotiation period, the NFA Board will need to understand the terms of both Agreements and provide any necessary direction to staff. Staff is recommending broad direction by the NFA Board to the negotiators with the details to come forward through the negotiation process. As was discussed at the August 23rd meeting, the negotiations will be done privately with NFA staff representing the NFA and two members of the PAC Board representing the PAC Board. As needed, Al Frei from Frei Real Estate Services will be included in the negotiations.

Staff proposes that an ad-hoc sub-committee (2 members) of the NFA be appointed to be available for staff to review negotiations ideas or proposals prior to bringing back to the full NFA Board – as necessary. Staff recommends that the Chair of the NFA be one of the two Ad-Hoc committee members.

Some residents have requested to add non-PAC Board Members to the negotiation process. The agreement(s) are between the PAC, NFA and Property Manager and therefore only these parties need to be included in the negotiations. The feedback from residents is summarized below and will be considered by all parties during the negotiation.

Negotiations Documents – General Comments

There are two primary legal documents that will be reviewed and possibly amended during this process -- the Delegation Agreement between the NFA and the PAC plus the Management Agreement between the PAC and Frei Real Estate Services. The documents are lengthy, complicated, and connected via a number of cross references or identical information. Also, after a thorough recent review, there are many requirements within the documents that appear to have not been followed or sporadically followed to date. In some places, there are references as to which entities should be informed about various actions, but there is not consistency in the documents. In addition, there are also some places in the document where one of the key parties is not included. For example, annual copies of insurance certificates and endorsements from Frei Real Estate Services and the PAC are not provided to the Owner. One of staff's intentions is to update the documents to reflect the standard operating practices where appropriate, make edits to follow best practices, and edit any omissions or inconsistencies. Many of these changes are needed to meet the interests of the NFA and FSA, and will come forward during negotiations.

Public Comments - Summary

Below is a summary of the comments and feedback received during the public comment period from August 23, 2010 to September 24, 2010. Some of the comments occurred at public meetings or can be read directly from correspondence which is included with the staff report. Some of the feedback provided was anonymous or from individuals who wished to remain anonymous via meetings with staff or comments sent via letter. These comments have been summarized to articulate the concerns. Specifically, the public input was provided to the NFA in can be found in the 8/23 NFA Workshop minutes and in attachments to this staff report. A summary of the comments and concerns are organized below by topic. These public comments are part of the information that was utilized by staff as the basis for staff recommendations of the issues and areas of concern to be considered as part of the

negotiation process.

SUMMARY OF PUBLIC COMMENTS RECEIVED

ROLES & RESPONSIBILITIES

The majority of comments received expressed concerns and confusion regarding the roles and responsibilities between PAC as operator, NFA as owner, and Frei Real Estate Services as Property Manager. Many residents commented on these issues and felt clarification was needed. Many expressed a desire for more oversight, ramifications for non-compliance, clearer definition of roles and authority and limitations, and overall greater accountability.

The majority of residents commenting desired a clear delineation between PAC's role as sponsor of MVSC and park acquisition and its role as outlined in the Delegation Agreement. A number of residents felt that the purpose of the PAC may be out-of-sync with oversight duties within the Park on behalf of the NFA as owner. A number of residents expressed concerns regarding conflict of interest or purpose relating to the PAC pushing for ownership rather than management and therefore not acting in the best interests of the NFA/Owner. A number of residents commenting stated that the PAC should not be renewed as a contractor to oversee management of the park. Strong differences of opinion regarding park ownership are an undercurrent to discussions and activities in the Park and also impact the roles and relationships.

There were concerns expressed about self-governance of the Park without oversight of the NFA. Several residents stated that the nature of the park itself does not lend itself to self governance. Several residents stated that the original purpose of PAC was satisfied when NFA bought the park and therefore there is no need for anything more. Many residents expressed appreciation for the value of "City" ownership and want it to continue.

Some residents felt that there were many organizations with separate Articles and Bylaws existing in the Park which causes confusion and conflicts. Some residents suggested different operating models for MVMCC. Some of the specific comments from residents are stated below.

- Replace the PAC with a different operator.
- Desire for NFA to contract directly with the Property Manager and eliminate PAC.
- Delegation agreement allows PAC to be self serving. Let Home Owners League (HOL) replace PAC.
- Eliminate some of the excess organizations in the park -- HOL and PAC.
- Consider modification of PAC Board to incorporate HOL, MarVal Home Association (Mar-Val) and two-at large board members with expertise in finance and law.
- PAC is no needed any longer; feels security associated with NFA as owner.

TRANSPARENCY

The majority of residents commenting expressed a desire for more resident input into Park and frustration with PAC. Residents stated that the PAC holds secret meetings or pre-meetings before the open PAC Board meetings. Overall, there is a feeling that the PAC Board makes decisions without adequate resident input. A great majority of the residents commenting

wanted the PAC meetings to be governed by Brown Act and Robert's Rules of Order. This recommendation was mentioned by the majority of residents who commented and they felt that adherence to the Brown Act was the most critical change needed.

Some residents wanted more PAC meetings, some wanted fewer PAC meetings, but most of those making comments described needing more notice about the timing of meetings and that all meetings of the PAC Board need to be conducted in public. One resident recommended a code of conduct for PAC meetings.

A number of residents suggested that summary minutes with greater detail were needed for PAC meetings rather than action minutes. Other suggestions included that agendas and minutes must be published and provided in a variety of ways to residents since not all residents have email or use technology. Another suggestion was to record PAC meetings and retain the recordings for a period of time. A few residents wanted residents to vote on projects and priorities occurring in the Park.

ACCOUNTABILITY

There were a number of comments regarding accountability which are aggregated below.

Reporting and Communication – Many residents expressed the need for more accountability regarding reporting, record keeping, and communication with residents regarding actions by the PAC and Property Manager.

Consequences and Time of Agreement – A desire was expressed by many residents for clear consequences in the agreement if the PAC Board does not comply with requirements of the Delegation Agreement. There was also a desire expressed for a shorter term for the Delegation Agreement prior to renegotiation.

Financial – Many residents expressed a desire for greater financial oversight and reporting to residents including greater detail of expenses and contracts and NFA approval regarding acquisition and disposition of Park assets. A number of residents expressed desire for more funding of Park infrastructure versus funding for property transfer efforts.

Property Manager Performance – A few residents raised questions regarding the staffing and cost of the on-site management personnel.

Capital Infrastructure of Park – Many residents expressed desire for greater resident input on infrastructure and capital projects. Multiple residents commented about the infrastructure needs of the park and perceptions of underfunding. Some of the specific Among some of the specific capital improvements for the Park mentioned were seismic retrofitting of the clubhouse, ADA access in the clubhouse and improvements to the sewer and electrical system.

ELECTIONS

There were a number of concerns stated by numerous residents regarding PAC elections

through the years. Overall, there is a desire for fair elections and there are perceptions that this has not always occurred in the past. There is a perception that there have been voting irregularities. Some residents suggested term limits for PAC Board members

One major concern was the appointment of an interim Director when a mid-term vacancy occurs on the PAC Board. Appointment of vacant PAC Board positions prior to an election allows the appointed individual to run in the next election as an incumbent. Many residents felt that this allowed Board composition to be influenced unfairly. Some suggestions to address this issue included: requiring PAC appointments to be made only from past candidates for PAC Board, holding an immediate election or not allowing any appointments by the PAC Board.

PAC's PERFORMANCE AS OPERATOR

[There are clearly different opinions of PAC's performance as operator and of its oversight of the Property Manager. The majority of residents who communicated with staff expressed concern, frustration and fear about PAC's practices and operations. Below are summary comments from both sides of this theme.]

Many residents expressed their feelings that PAC has lost its objectivity, impartiality and transparency. These residents believe there is a direct conflict of purpose between the PAC's contract role with the NFA and its corporate chartered mission of acquisition. They expressed concern regarding discrimination and harassment against PAC dissenters. There are perceptions that PAC Board Members approve improvements in the Park to the advantage of those that are in alignment with their point of view.

Overall, many of the commenting residents described an atmosphere of distrust, suspicion and division in the park that is stressful to many. These same residents expressed concern about misrepresentation of NFA and vilification of the City and NFA by PAC.

Numerous concerns were expressed regarding PAC Board impartiality. Many respondents held an overall feeling that the PAC Board has become politicized and representing transfer issues within and outside the park to the detriment of management issues. Concern was expressed regarding prioritization of repair or improvement projects, assignment of RV spaces or the processing of tenant complaints being based on "political views" relating to transfer. As a condition to continuing, some residents suggested that PAC should be required to cease all activity not related to performing its contract with the NFA.

There is a perception among the great majority of residents who commented that the PAC's role has expanded beyond the original scope of oversight to become more involved in day-to-day management of the park and interfacing directly with on-site management personnel. In addition, concerns were expressed that PAC has taken duties from HOL and MAR-VAL. Many residents commented regarding a concern that PAC is controlling New Resident Orientation and using this forum to promote MVSC ownership.

Many of the residents commenting felt that the renewal of the Delegation Agreement with the PAC should be shortened to a period of between two and five years.

A few residents expressed support for NFA continuing the delegation agreement with PAC. They stated that the PAC has proven to be capable and knowledgeable and wanted no changes. These residents expressed that PAC meetings are open and PAC board hears concerns of residents.

FREI REAL ESTATE SERVICES AS PROPERTY MANAGER

There are three major areas of concern expressed regarding the performance of Frei Real Estate Services as the Contractor.

Staffing and Cost Structure – A few residents questioned whether the current staffing configuration of two full-time maintenance personnel with use of private contractors to augment was the most efficient and effective model. Some residents questioned the need for an outside landscape company to care for and tend the common areas around the pool and clubhouse when two maintenance personnel are available. The idea of a local onsite property manager was recommended by a few residents.

Staff Performance – A few residents felt that there is a lack of initiative by the on-site management staff and that on-site management staff are unsupervised and unaccountable. Some residents held the perception that the employees of the management company have become lax in their duties. A few residents suggested posting hours for park employees' work, requiring daily work sheets and time sheets for employees, and staggering employee lunch hours. A few felt that maintenance staff should be more proactive with regular inspections of trees, hillsides and other areas.

PAC Providing Direction to On-Site Maintenance Staff – Many residents expressed positive comments regarding the work of the Management Company and on-site staff, but felt that there was a lack of a professional distance between management and PAC. Many residents expressed a feeling that certain PAC Board members exert pressure or influence over on-site management staff instead of there being autonomous operation. Requested resolutions included the need to construct a "firewall" between Frei employees and the PAC and to prohibit interference of the PAC with the manager.

Other Comments – One resident suggested to replace NFA owned vehicles with electric utility vehicles. A couple of residents suggested requiring CERT emergency training for Park Management staff. A greater clarification of park rules in writing and specifically regarding use of the clubhouse and common areas was requested. Some residents expressed a desire for written park operating procedures to be in place for on-site managers to adhere to. A few residents expressed concerns regarding 2006 rental agreement changes.

DELEGATION AGREEMENT NEGOTIATIONS PROCESS

A few residents expressed a desire to have additional perspective at the negotiation table by including a representative not affiliated with PAC. One suggestion was if the Home Owners League would be a better fit in terms of purpose to play the role outlined in the Delegation Agreement.

Staff Perspective and Recommendations

After considerable reflection and consideration, NFA staff makes the following comments and recommendations regarding the negotiations.

- Ownership Under Current -- There has been and continues to be strong differences of opinion which creates conflict in the Park. The primary source of the conflict is different opinions and belief about what is best for the Park in terms of long term ownership. The initial vision to transfer the Park shortly after the City's involvement has not come to pass. The conflict over Park "transfer" is an undercurrent that affects decisions, discussions, and relationships on a regular basis.
- Role Conflict - The original purpose of the PAC was to take ownership or facilitate ownership of the park to residents. The PAC's By-laws clearly articulate this mission. However, since the NFA's ownership in 1997, the PAC's official role via the Delegation Agreement and Management Agreement is to act as "operator" by contracting with a Property Management Company. Understandably based on their bylaws and the perspectives of individuals, the PAC has continued its efforts to effectuate transfer through a variety of efforts including helping to sponsor and create the Marin Valley Senior Community. The PAC's commitment to two missions – operator and transfer proponent – have created conflict and consternation in the park.
- PAC's Performance -- There are strong opinions about the PAC's performance as an operator. A few residents expressed being pleased and satisfied, yet the majority of responders are extremely dissatisfied, frustrated and fearful.

Staff Recommendations – NFA's Interests and Negotiation Issues

As a publicly owned mobile home community, staff believes there are key "interests" that the NFA Board should consider which are linked to specific changes to be considered during the negotiations. The list below is not exhaustive, but it provides an overview of the general direction and recommendations of staff based on the interests of the NFA.

Interest #1 -- Trust and Organizational Clarity – The NFA has an interest in promoting an environment of trust and clarity of roles and responsibilities within the Park.

Roles and Responsibilities

- Clarify the roles and communications required of and between Owner, Financial Security, Operator, Property Manager and other entities in the Park.

Interest #2 -- Accountability – MVMCC is a publicly owned park and therefore its assets, funding and operating practices need to be accountable to the residents, the Owner, and to the taxpayers of Novato. Accountability includes financial, budgeting, contracting/bidding, elections and legal. Communication and reporting out of actions are also important components of accountability, as well as transparency.

Financial

- Provide increased reporting and controls on disposition and acquisition of assets, the capital and operating budgets, accounting, and audit process.
- Review and address bidding and contracting requirements.
- Review compensation for Frei Real Estate Services.
- Review process, timeline and public input for operating and capital budget.

Reporting / Enforcement

- Clarify reporting relationships and information that needs to be provided to the FSA, PAC and the NFA; numerous instances in the Delegation Agreement that need additional clarification where there are inconsistencies or omissions.
- Clarify enforcement provisions in Agreements; clarify ramifications and examples of default.

Elections

- Suggest changes to improve accountability and trust in elections to the PAC Board.

Operations

- Discuss staffing and operational approach of Management Company to ensure cost effectiveness and efficiency.
- Review training and experience of management personnel and suggest any necessary changes.

Legal & Risk Management

- Clarify and enhance reporting and approval process of any lawsuits, claims, legal actions, other potential legal issues, bonding requirements and insurance coverage amounts to meet current best practices.

Interest #3 -- Transparency – As a public entity and a resident-based community, open and transparent decision making and communication is critical in order to build trust and confidence.

- Fully implement Brown Act for PAC for all actions. Review required PAC meetings and communications. Discuss effectiveness of agendas and minutes to meet the goal of transparency.
- Clarify process and role for residents to raise issues of concern.
- Consider and address conflict of interest, reporting requirements and bidding for Park projects.
- Improve communication between residents, NFA and PAC about issues and accomplishments.

Interest #4 -- Protection of the Park – The NFA utilized its legal authority to purchase bonds to secure a loan for over \$17 million in order to purchase the Park and “provide the permanent financing for the acquisition and improvement of the MVMCC”. As Owner, the NFA must ensure that proper infrastructure investments and best practices in operation and maintenance are conducted in order to ensure a physically safe mobile home park and to protect the Park asset.

- Clarify requirements, timing and responsibilities for the development and implementation of a multi-year Capital Improvement Plan.

ATTACHMENTS

- A. Major Provisions of Existing Agreement
- B. Overview of Roles and Responsibilities
- C. Comment Log
- D. Summary of Verbal Comments
- E. Written Comments
- F. Process Flowchart

ATTACHMENT A

Major Provisions of Existing Agreement

ATTACHMENT A

MAJOR PROVISIONS OF EXISTING AGREEMENT

The Delegation Agreement (Agreement) is the agreement by which the Novato Financing Authority (NFA) delegates to the Park Acquisition Corporation (PAC) the responsibility for the operation and control of the Park subject to the Delegation Agreement and further subject to maintaining a professional property manager approved by the Owner. The Agreement provides basic direction to the PAC regarding operation and control of the park in order to be in keeping with the bond financing documents. In addition the Agreement provides that the PAC must retain and maintain the services of a professional management company, which company shall actually manage the Park. The Delegation Agreement includes as an attachment the terms of the required Management Agreement.

The Delegation Agreement and the Management Agreement are posted on the PAC web site for easy access. Below are the locations.

Delegation Agreement, <http://www.mvmcc.com/pdfs/Delegation%20Agreement.pdf>

Management Agreement, <http://www.mvmcc.com/pdfs/Frei-management-Agreement.pdf>

The following are the major points of the Marin Valley Mobile Country Club Park Delegation Agreement.

- Parties: The current parties to the Agreement are the NFA, as the Owner of the mobile home park, and the Park Acquisition Corporation (PAC).
- Current Term: The current term of the Agreement expired on December 31, 1997 and has been subject to automatic annual renewal each year thereafter. Automatic annual renewal ceases upon the occurrence of any one of the following events: a) the occurrence of an event of default under the Trust Indenture, this Agreement or a Trigger event exists; b) either party gives written notice to the other party of its intent to not extend the term of the Agreement (note that in order for the PAC to terminate it must have the consent of FSA, NFA termination requires no such consent); or c) the parties cannot reach an agreement at one of the Periodic Renegotiation stages (see below)
- Obligations on Termination: Upon the termination of the Agreement, the PAC will no longer manage the park and the NFA will assume the duties currently being performed by the PAC pursuant to the Loan Documents, including the obligation to enter into an agreement with a Property Manager. The PAC is obligated to cooperate with the NFA regarding effecting the termination and turning over all documents and records to the NFA.

- Periodic Renegotiation: As noted above, pursuant to Section 4.02 of the Agreement, periodic renegotiation of the Agreement is to take place at particularly scheduled intervals set as October 1, 2010 and October 1, 2025. During the period between October 1 and January 31 of the following year, the parties agree to meet in order to review the Agreement and, if necessary renegotiate one or more of its terms. If the parties agree to the modifications and if FSA, the bond insurer, consents to such modifications, the modifications shall be incorporated into the Agreement by amendment. If the parties do not, after good faith negotiations, agree to the modifications, the Agreement shall terminate on January 31.
- Operation of the Park: The Agreement provides that the park shall be operated in accordance with all of the Mortgage Loan Documents and that the PAC is obligated to retain a Property Manager at all times and have in effect a Management Agreement in substantially the form as the current Management Agreement.
- Financial Reporting: The Agreement provides that a Profit and Loss Statement, Cash Flow Statement, Balance Sheet and Budget Control Report shall be provided by the PAC to the NFA and FSA monthly and requires an annual audit.
- Indemnification and Insurance: The PAC must indemnify, defend and hold harmless the NFA, FSA, CLGFA and the Trustee relating to the operation and control of the park and the activities of the PAC and cause the Property Manager to maintain insurance coverage.
- Default: The following actions constitute an event of default and breach of the Agreement:
 - PAC being denied any license legally required to operate a mobilehome park or PAC ceasing to operate the park.
 - Failure of PAC to make any payments due under any of the Mortgage Loan Documents.
 - A general assignment or general arrangement for the benefit of creditors, petition of bankruptcy or reorganization is made by the PAC or there is a trustee or receiver appointed or attachment of assets relating to the PAC.
 - Any representations or warranties of the PAC shall prove to be untrue or incorrect in any material respect as of the date made or deemed to be made.
 - A continuing violation or breach of any covenant or material term of the Agreement or the Mortgage Loan Documents to which PAC is a party.
 - Failure of the PAC to have a property manager.

- Failure of the PAC to respond in a timely manner to any written inquiry of the NFA or FSA pertaining to any reports required pursuant to the Management Agreement.
- Any event of default pursuant to the Management Agreement has occurred.
- An event of default has occurred under any agreement pertaining to the park into which the PAC or the Property Manager have entered.
- Required insurance is not procured or maintained.

ATTACHMENT B

Overview of Roles and Responsibilities

Organization Overview of MVMCC -- Roles and Relationships

Novato Financing Authority (NFA)

Joint Powers Authority of the City of Novato and the Novato Redevelopment Agency
Owner with legal title to the property

Financial Security Firm

(was FSA -- Financial Security Assurance; now Assured Guaranty Municipal Corporation)
Guarantees scheduled payments of the Senior Bond

Park Acquisition Corporation (PAC)	Home Owners League (HOL)	Mar-Val Home Association
<p><u>By-Laws Purposes:</u></p> <ul style="list-style-type: none"> • To maintain the affordability of MVMCC spaces (1) For residents (2) For lower income Marin County residents. • Facilitate resident purchase of MVMCC from the owners of said Mobilehome Park. • Create whatever legal entity is required which conforms to state law to assume ownership of MVMCC. • To negotiate with the owners and/or managers or any designated agent thereof on issues that affect the quality of life in the MVMCC community. • Raise funds for support of technical and financial activities that facilitates resident purchase of MVMCC. • Enter into any and all contracts and apply for any and all approvals necessary to effectuate purchase of the MVMCC. 	<p><u>By-Laws Purposes:</u></p> <ul style="list-style-type: none"> • Assist residents of MVMCC to resolve matters relating to the management of MVMCC when the matters cannot be satisfactorily resolved between the residents and the management company. • Review the written "Resident Input" forms referred to the HOL Board of Directors by residents to ensure the concerns of the residents are being properly acted upon. • Be a conduit for information from the management company to the residents and from the residents to the management company. • When a matter cannot be resolved between resident and the management company, HOL may liaise with the PAC in an attempt to come to a just and equitable solution. • Monitor compliance with the MVMCC rules, regulations and enforcement procedures. • Recommend and/or support state and local legislation beneficial to the residents of MVMCC. These recommendations will be made to our elected California State Representatives and/or the Golden State Manufactured-home Owners League. 	<p><u>By-Laws Purposes & Objectives:</u></p> <ul style="list-style-type: none"> • To provide entertainment, library, recreational, and social activities for the residents of the MVMCC. • To sponsor a newsletter (consistent with organizational purpose of MarVal).

Frei Real Estate Services

Manages and operates the Park in accordance with the Management Agreement

Management Agreement Responsibilities

- Provide full service operation and management services
 - Operate the park and separate the PAC and Owner from day to day operation and management
 - Encourage residents to seek to resolve issues with the professional managers
 - To create a surplus in the Sr. Cashtrap Account and the Subordinate Cashtrap Account
 - Provide security to bondholders to expect regular bond payments.
 - Provide for the regular upkeep and make prudent capital improvements.
 - Create a formal residents' Association
- Frei Real Estate Services executed a Management Agreement with PAC on November 1, 1997

All the By-Laws for these organizations and a copy of the Management Agreement can be found on the MVMCC website.

PAC Bylaws: <http://mvmcc.com/pdfs/PAC-Bylaws-1-1-2008.pdf>

HOL Bylaws: <http://mvmcc.com/pdfs/HOLByLawsRevised9272006RTF.pdf>

Mar-Val Bylaws: <http://mvmcc.com/documents/MarValBylaws.pdf>

Management Agreement: <http://www.mvmcc.com/pdfs/Frei-management-Agreement.pdf>

ATTACHMENT C

Comment Log

DELEGATION AGREEMENT COMMENT LOG

August 23 Workshop Public Comment

- Jim Hiraïs
- Bill Davis
- Peggy Hill
- David Harrington
- Joseph DeAvila
- Valerie Barbour
- Marvin Thompson
- Michael Holland
- Julie Hanson
- Ray Schneider
- Miriam Spross

Letters

August 17

- Letter from Marlene Mason

August 23

- Submitted comments from Jim Harais
- Email from Jon Thomas

August 27

- Email from Jon Thomas
- Email with attachment from Marlene Mason

August 31

- Letter from Martha McConnell

September 4

- Letter from Eileen Cedrun
- Letter from Pauline Hawkins

September 7

- Anonymous Letter
- Anonymous Letter

September 9

- Letter from Barbara Brown

September 10

- Letter from Janeen Thomas
- Anonymous Letter
- Anonymous Letter
- Anonymous Letter

September 12

- Letter from Eileen Cedrun

September 14

- Letter from Ronald Stenzel, former resident
- Letter from John Thomas
- Letter from Roberta Urquhart
- Letter from Eileen Cedrun

- Email from Ray Schneider
- September 15
- Letter from Joan O'Hagan
- September 18
- Letter from Carol-Joy Harris
 - Letter from Bill Davis
- September 20
- Email from Peggy Hill
 - Letter from Eileen Cedrun
 - Email from Ray Schneider
- September 23
- Email from Kathryn Mudie
 - Email with Attachment from Joseph De Avila

Meetings

- September 8
- Meeting with residents with submitted material
 - Meeting with resident

Phone Conversations

- September 20
- Phone conversation with Jean Pacelli
- September 21
- Phone Conversation with Barbara Marcus
- September 22
- Anonymous Phone call

ATTACHMENT D

Summary of Verbal Comments

Additional Verbal Comments on Delegation Agreement

Received from Residents Outside of the 8/23 Public Workshop

AUGUST 31, 2010 -- MEETING WITH 2 RESIDENTS

Questions about negotiations process; specifically the rules for communication of NFA and PAC during negotiations.

Desire for clarification of roles and responsibilities for PAC, Management Company and other groups in the park.

Expressed continuing stress and differences of opinion regarding park ownership – resident control versus resident ownership. Feel that the PAC's focus on MVSC is leading to a conflict of interest and purpose. Feel that the PAC is openly hostile to the NFA and the City. Feel that the PAC has become a special interest and is not representing the residents. Feel that changing the zoning of MVMCC to add a mobile home overlay would be an additional protection to the park and help alleviate some concerns.

Communication and Governance by PAC – Expressed desire for PAC to adhere to the Brown Act and improve transparency. Suggested Brown Act compliance would need enforcement for compliance. Suggested changing the ability of the PAC to appoint a new member to the Board without an election; feel the appointment process allows the PAC to create an advantage for a new member to run as an incumbent. Expressed concern that there is only one general membership meeting per year according to the PAC by-law. Desire to see PAC by-laws amended to create more general membership meetings and to improve communication with residents.

Management Company – Expressed concern regarding lack of professional distance between PAC and Management Company. Perception that PAC gives direction to on-site management staff.

Capital Improvements – Feel that there are many physical improvements needed to the Park.

Want greater transparency on purchase and disposition of NFA assets by PAC.

Suggested a shortening of term of the Delegation Agreement; 2-5 years with clear exit clauses and termination process.

SEPTEMBER 8, 2010 -- MEETING WITH 10 RESIDENTS

Status of Park Ownership

Looking for greater certainty on the issues of long term ownership.

Request that NFA clarifies that there is no active negotiation with MVSC and states no plans to sell the property.

Want to understand what will happen with the bonds are paid off.

Strong different opinions regarding ownership of the park; clearly is a major undercurrent at MVMCC and affects relationships and interests.

Want resident ownership; not ownership by a non-profit.

Major concerns about MVSC.

Feel that a senior park can be easy prey; example of a senior mobile home park in South San Francisco that was sold.

Feel that MVMCC property is beautiful prime property that could be coveted for other uses.

Appreciative of the City and NFA protection of MVMCC.

Intimidation

Expressed concerns of intimidation by PAC members to residents not in agreement with PAC actions and ownership efforts.

Not provided with an opportunity to voice concerns at meetings; described either not being called on or told to sit down.

Feel that bullying and verbal intimidation occur regularly.

PAC – Elections

Concerns about appointments to PAC Board vacancies being used to manipulate Board composition.
Major concern expressed in relation to past elections, examples cited include: control of the Nominating/Elections Committee, ballots that were opened and taken home, ballots that were open before being officially counted.
Recommended a third party is needed to run the elections.
Expressed a belief that this recent election was the best so far in terms of process.
Feel that term limits would be helpful.

PAC

Many residents recommended that the Delegation Agreement with PAC not be renewed.
Outlined numerous conflicts and issues through the years.
Expressed worry that changes to the Delegation Agreement can't change the way the PAC Board operates.
Made statements that PAC and MVSC are too closely aligned.

Brown Act

Feel strongly that the PAC needs to adhere to the Brown Act for complete transparency.

Delegation Agreement Negotiations

Want two more people at the negotiations table; residents want more input.

Park Assets

Desire for greater transparency on the acquisition and disposition of Park owned property and assets (i.e. land, coaches, vehicles, equipment, fixtures, personal property); desire for a more visible process on disposition or acquisition of assets with NFA taking public action.
Stated concern regarding the use of the Club House by PAC members and others for personal or business use.
Feel that preferential treatment is given to PAC members and allies in terms of capital investment or other park rules.

Communication

Expressed concern regarding PAC holding new resident meetings and not inviting other MVMCC groups to participate. Feel these meetings are focused on ownership issues and promoting MVSC.

Budget and Contracts

Expressed a need for greater clarity in the management of the budget. Appearance that capital funds are moved between projects and new projects are provided.
Humanitarian Fund – Raised questions about the parameters and oversight.
Expressed desire for greater transparency on bidding process and bids obtained. Perception that some contracts have been awarded based on personal or familial relationships.

Management Company

Feel that local management employees are routinely given direction by PAC board members.

September 8, 2010 -- Meeting with 1 Resident

Brown Act / Transparency

Concerns regarding lack of adherence to the Brown Act.

Recently PAC has been holding some meeting more in compliance with the Brown Act; however Board Members have been seen holding private meetings prior to the announced public meeting.

Expressed frustration with PAC Board; feels not balanced; not equal time for all voices; inadequate response to questions or concerns that are raised.

Clarify Role of PAC, Property Manager, and Other Organizations within the Park

Concerns that PAC is expanding its role into the responsibility areas of the other organizations (HOL and MarVal). Concerns that PAC is getting deeply into resident's requests which pursuant to the documents is a Management Company function.

Elections

Articulated a history of PAC Board members stepping down from the Board, then the Board appoints someone without an election in the interim, then that appointed individual runs as an incumbent. Feels this should be changed.

Ownership

Need to hold public meetings and get clarification for a satisfactory relationship. Wants to know the City's long term interests.

Overall

Not in favor of getting rid of PAC; but needs great controls and transparency. Feels that there are PAC governance issues.

September 20, 2010 -- Telephone Call with Jean Pacelli

Feels that overall things are going as well as expected.

Minor changes to the Delegation Agreement are needed; but not drastic.

Believes that a very small minority of individuals are unhappy with the park management.

Believes the PAC is well run.

September 21, 2010 -- Telephone Call with Barbara Marcus

Expressed support for continuation of NFA ownership of MVMCC.

Feels that the PAC is not representing commenter's interests because they are in favor of transfer.

Expressed respect for the PAC members for their service.

Stated that there are a number of residents without fax or email; most of the PAC's communication is electronic.

Expressed appreciation for Mike Holland's letters in the ECHO newsletter.

Stated concern for regarding issue of Brown Act compliance.

September 22, 2010 -- Telephone Call with 1 Resident

Expressed deep satisfaction that the NFA took over the park and hopes that it will stay that way.

Stated the MVMCC is a wonderful place to live for many years.

Expressed pleasure that Mr. Read is on the PAC.

Stated that local park management is preference. Felt this would cost more money, but increase accountability.

Raised questions regarding the on-site staffing of two maintenance personnel. Larger jobs are contracted out.

Outlined a number of concerns with maintenance, including: shower rooms at pool not being cleaned, hot tub pipes not being cleared out and recommended contracting with a professional hot tub cleaning firm on an annual basis.

ATTACHMENT E

Written Comments

Marlene A. Mason
135 Marin Valley Drive
Novato, CA 94949
(415) 382-1565
mason.marlene@att.net

August 17, 2010

Novato Financing Authority
Cathy Capriola, Assistant City Manager
C/O Tim Wong, Housing Coordinator
75 Rowland Way, Suite 200
Novato, CA 94945

Dear Cathy,

I am in receipt of your letter to Marin Valley Country Club Residents, dated August 13, 2010. Thank you very much for the information. I have a few questions I hope you can help me with.

Could you clarify the period during which resident input will be received and considered? Is there a specific deadline? I had understood the August 23rd Meeting to be a Resident Workshop, with actual input following in the period through at least October 1, 2010, and possibly into January, 2011. More specific dates would be most helpful, if you can provide them.

As members of PAC, I'm wondering if the residents will be kept informed as the negotiations progress? And, again, will there continue to be opportunities for resident input during the actual negotiations?

In reading your letter, I note your statement "The Delegation Agreement assigns the day-to-day park management responsibilities to the PAC". I'm confused because *Section 2. Purposes* of the Management Plan, included in the Management Agreement, states:

Section 2. Purposes. The purposes of this Agreement are as follows:

(c) to operate the Project in a professional and businesslike manner and separate the PAC and the Owner from day-to-day operation and management of the Project (emphasis added)

I am confused by these two seemingly contradictory statements. If you could review the Management Plan and provide clarification of the roles, responsibilities and authority of each of the entities, at least as to the day-to-day operations, it would be most helpful. I find it gives me pause when considering how I want to construct my own input in this process. I'm guessing it may influence the input of other residents as well.

As someone who has a difficult time speaking in public in the first place and particularly after hearing rumors of other residents being ridiculed, confronted, and intimidated in previous meetings, I think I would be more comfortable speaking with

● Page 2

you. Can we schedule a time to meet in the near future? I know several other residents who have expressed similar feelings. Perhaps two or three of us could meet with you at same time so as not to create undue pressure on your time schedule? Further, is the content of these meetings confidential?

Lastly, I've been told all written correspondence to members of NFA must be made available to the general public and shared specifically with the PAC. Is this accurate information? Again, through talking with other residents I am aware there is fear of reprisal from residents in the community who hold opposing opinions. Is there a remedy for this?

I so appreciate your time and attention to these concerns, Cathy. I am hopeful these negotiations can and will help resolve some of the ongoing conflicts and confusion in our small community. I will share your response with other residents, if that is acceptable to you.

Sincerely,

CC: Jeanne MacLeamy, Mayor
Veronica Nebb, City Attorney

Jim Hbrais
presented @
8/23/10 NFA Mtg.

Read letter from said.

Talk about past. Credibility of self

Lived here for almost 30 years
The only living founder of PAC left
Served as president, secretary and treasure .

What is the Value of PAC Board.

The defining Board of Marin Valley
It is the culmination of the hopes and dreams of the residents.
PAC Imitated and negotiated the acquisition of Marin Valley
It was to hold the title of the park
David G Kenyon Real Estate Attorney
After we could not obtain financing we retained
Philip Hoon bond negotiator and we went to the city of Novato for help.

1. Workshop on how to create better checks and balances for PAC
 - a. Develop suggestions for changes to the Delegation Agreement, such as more oversight, checkpoints and cross-checks for compliance, expressed ramifications of non-compliance, clearer definitions of power, authority, limitations of power and authority of the PAC, changes to PAC bylaws, including but not limited to, compliance to the Brown Act, adherence to the purpose of PAC as set by their own bylaws (resident ownership of the Project, not "resident-controlled
2. term limits 2 terms. And may run again after 2 more terms.
3. resident input on any pass through charges such as utilities.
Suggestions by PAC only and a Vote by residents as to alternatives
4. published bid packages workshops and input by residents on projects.
Case in point deck. Upcoming projects such as
floor in great room
conduit in floor for future sound and lighting
electrical plugs in floor for projectors etc.
back wall in great room
provisions for shading and darkening hall for projections and meetings.
electric supply to park
infrastructure to park utilities ie sewerage and utilities in ground.
200 amp electric supply for new homes.
Upgrading sewer, power and utilities expectable for future transfer to utility companies
5. vote by residents not just PAC on projects and priorities.
6. published meetings by flyer in tubes at least 1 week in advance.
7. PAC meeting be limited to no more than 1 each month.
8. published minutes be made available to all residents, in writing on paper, within 4days
after meetings
Minutes should include
 - i. public comments with limits not less than 5 minutes.
 - ii. all public comments and by whom
 - iii. votes, actions and outcomes
 - iv. committees and resident workshops before all major votes.

Tim Wong

From: Jon Thomas [tecopaj@sonic.net]
Sent: Monday, August 23, 2010 1:32 PM
To: Tim Wong
Cc: Cathy Capriola; jeannedarch@jeannemacleamy.com
Subject: NFA/DAR input meeting at MVMCC

Tim, Cathy and Jeanne.

I want to thank you all, and others who are responsible for creating the formal venue allowing the residents of MVMCC to give input into the upcoming DAR negotiations between NFA and PAC. I am certain that this created a lot of extra work and expense on the part of city staff to create and administer this process--- please know that it is most appreciated!

I would also like to make you aware of a couple of things regarding tonight's meeting, if I may.

Many of the residents that I have spoken with that wish to take advantage of the resident input window for comments and suggestions on the DAR will not be prepared to give verbal input to the NFA Board tonight. Some extemporaneous individuals will no doubt speak, but most (myself included) want to formulate their input into letters or emails or have a private meeting with available staff.

The Delegation Agreement is a complex document, and over the last 13 years, many things in it have been ignored or changed on the fly by various PAC boards. Job descriptions and responsibilities, and the definitions on the limitations of powers and the demarcations of roles and missions have drifted and become quite muddy. Most of us are going to need all of the time allocated to us, to sort through the problems and present ideas and solutions for PAC reform and DA amendment. I just wanted it to be known, that if few people speak tonight, that does not mean that there is lack of interest, and that city staff and the NFA board should expect a lot resident input to come in other ways.

Another related issue that I need to bring up, is the residents concern and fear of speaking out against PAC. Those who have done so over the years, have been vilified and harassed or shunned in many different and continuing ways. Remembering this is a senior citizen community, I would hope that the city could find a way for some special dispensation and confidentiality for those folks who ask for it.

Perhaps someone on staff can proactively address this issue tonight?

Thanks again

Jon Thomas

Tim Wong

From: Jon Thomas [tecopaj@sonic.net]
Sent: Friday, August 27, 2010 10:56 AM
To: Tim Wong; Cathy Capriola; jeannedarch@jeannemacleamy.com
Subject: MVMCC-DAR resident input

Tim Wong, Cathy Capriola, Jeanne MacLeamy-

Thank you again to all involved for the after hours meeting at MVMCC on the 23rd. I think things went well, all things considered.

I do have one critical concern I want to convey about this process. I am writing you today to ask that the city consider giving the residents more time to give their input during the DAR.

Prior to the meeting, we were all under the impression that the residents had at least until the end of September to get all of our resident input into the City, and we now know we have two weeks less than that. This leaves the residents with a mere 19 1/2 days (as of today) to present their issues to the city. I think you saw at the meeting that there is a lot of emotion around this subject, a lot of concern for the problems that we are having and lots of ideas for their resolution. The self appointed PAC negotiators will have a full four months to negotiate with the city and will not be representing any of the concerns that you have been hearing from the residents.

While we certainly appreciate the city considering the residents in this process, I and others feel that the residents are getting short shrift in this matter by scheduling only a small window of time for resident input. I believe the residents need more time to perform proper due diligence in their input presentation to the city, and just as importantly, the city needs more time to be able give a patient and careful look at what is presented to them by the residents of MVMCC concerning the DAR.

Thank you

Jon Thomas

Tim Wong

From: Marlene Mason [mason.marlene@att.net]
Sent: Friday, August 27, 2010 9:02 AM
To: Tim Wong
Subject: MVMCC Delegation Agreement negotiations
Attachments: DAR 08-27-10.doc

Hi, Tim,

I've attached a letter to you, Jeanne, Cathy and Veronica concerning the Marin Valley Mobile Country Club negotiations.

Thank you, as always, for your time and attention to all of this.

Sincerely,

Marlene

9/27/10
e-mail

Dear Tim, Cathy, Veronica and Jeanne,

Thank you so much for arranging the August 23, 2010, Resident Workshop meeting. I found it informative, useful and was very pleased with its success.

I was rather surprised to hear the cut off date for resident input is September 15, rather than the end of September as I had assumed from your email. I am distressed by this piece of information. The residents of Marin Valley Mobile Country Club have been "living under" the current Delegation and Management/Plan Agreement for 12 years now with little ability to enforce its terms or change the short-comings inherent in them.

Though I have only lived here for the last 15 months, I have seen many instances of the PAC assuming more and more responsibility. I am concerned about this for many reasons, only one of which is because our PAC Board of Directors is made up, as you know, of residents currently living in the Park, with elections held each year. Please remember while this is a Senior Citizens Community some of us continue to hold jobs, many struggle with health issues, and few are either willing or able to actually act as day-to-day managers of this three million dollar a year community. The more responsibility assumed by the PAC the fewer residents able to either qualify or willing to assume those responsibilities.

Further, we residents will be "at the affect" of the new Delegation Agreement until 2025, according to the current Delegation Agreement. This time period allotted to us seems our only opportunity to remedy many of the issues residents have been attempting to address for at least 10 years. At this point, most of those issues are unresolved. To allow the residents only the remaining 22 days, as of Monday's meeting, to offer constructive input seems most inadequate and I respectfully request NFA to reconsider this limitation. Many of us are currently working on suggestions for remedies and the many changes we see as necessary to improve the quality of life here in MVMCC appears daunting.

When NFA negotiates with the PAC, please keep in mind the PAC supposedly represent the residents, as every member of MVMCC is a member of the PAC per the PAC Bylaws. However one of the many disturbing developments between the creation of the original documents and today is that residents have less and less input into the governance and operation of our community. Just as an example, we've had no input and no vote in deciding who would act as our representatives in the negotiations. This fact is one of the very important "loopholes" we wish to address in these negotiations. The PAC may act as "independent contractor" to the NFA but they are not independent from their bylaws or from the residents, though that detail has become somewhat indistinct over the years.

Please understand I mean no disrespect to any of the current PAC Board Members. My comments are directed to the limitations within the original documents, not specific PAC Board Members or a specific PAC Board. I am astonished and appreciative of the amount of time and energy these current board members are willing to contribute.

I have read voluminous amounts of historical data, minutes of all PAC and NFA Meetings from 1996 through 2001, and then those after I moved here in July, 2009 through 2010. I can attest there have been dramatic changes over the course of time in how the Park is run and operated.

I ask that you consider creating a larger "window", with greater opportunity for residents to participate in how our community operates for the next 15 years through the entire negotiating process. We will be immensely affected by the decisions the Negotiating Committee makes. Two and a half months of resident input, July 21 – September 15th, doesn't seem to balance four months of Closed Meetings with the PAC. When the original Agreements were forged, residents were very involved in the process.

I and another resident will be providing more information on this particular subject when we meet with you on Tuesday, however I felt this issue too important to delay until then.

Thank you for your consideration in this.

Marlene Mason

45 Club View Drive
Novato CA 94949
August 29, 2010

To the members of the NFA and City of Novato Staff:

First, I would like to thank all of you for the time and energy you devote to this Park. We are but 400 in your constituency of 50,000+, yet we seem to receive a disproportionate amount of your attention.

In response to your request for resident input regarding the upcoming Delegation Agreement negotiations, I am writing to offer a few comments based on my reading of the documents and a couple of observations from my personal experience here. I am uncomfortable with public speaking (so uncomfortable that I don't do it...!) and appreciate your willingness to receive resident input via various media.

To prepare this letter, I read the Delegation Agreement, the Management Agreement, the Management Plan, the PAC Bylaws and the HOL Bylaws. Most I had read all or in part before, but reading them as a unit was in many ways an eye-opener. (All emphasis is mine.)

1. I was quite surprised at how clearly the respective duties and responsibilities envisioned for the PAC and the Management Company are stated in the Agreements.
2. I was even more surprised that the unmistakable intent of the original agreements was that the professional Property Manager was to operate and manage the Park, with oversight by the PAC, the NFA and the FSA. I made a list of the specific functions assigned to the PAC, and with two exceptions the operative words are: "cause the Property Manager to..." or "review," "amend," "approve"...[actions of the Property Manager]. Apart from its authority to contract with and terminate the contract with the Property Manager, PAC's role seems to have been viewed as supervisory.

The PAC of today views itself as Operator and representative (as opposed to participatory) government of the Park. I assume the increase in the PAC's power happened gradually over many Boards, not due to any deficiencies in Frei Management's performance, nor to any specific Boards or individuals. In considering renewal of the Delegation and Management agreements, the first question is: do we merely need to clarify the words "operation" and "management" in the various paragraphs of agreements and the Management Plan? Or has the City's and FSA's intent changed? Does the FSA no longer require a professional management company as "Operator" of the Park?

3. My third surprise was in reading and comparing the purposes of the Park Acquisition Corporation and the Home Owners League (although not so surprising if you look at the names rather than the initials of these organizations).

Four of the six purposes of the *Park Acquisition Corporation* concern ownership of the Park:

- a. maintain affordability
- b. facilitate resident purchase from the Owners
- c. create whatever legal entity is required....to assume ownership
- d. to negotiate...on issues that affect the quality of life
- e. raise funds for activities...that facilitates (sic) resident purchase
- f. enter into...contracts...to effectuate purchase of the MVMCC

Since PAC formed the MVSC, a major PAC activity has been to promote the MVSC (even two years after the exclusive negotiating agreement was not renewed). Perhaps it is an impossible task to be both an advocate for 501(c)(3) ownership and an impartial representative of the entire Park vis a vis the City and Frei Management.

In contrast, the purposes of the *Home Owners League* all relate to the daily life of the residents:

- 1 - "assist residents...when matters cannot be satisfactorily resolved between the residents and the management company."
- 2 - "review resident input forms...to ensure the concerns of the residents are being properly acted upon" (a function recently assumed by PAC)
- 3 - "Be a conduit of information from the management company to the residents and from the residents to the management company."
- 4 - liaison with PAC in case of non-resolvable issues above
- 5 - "monitor compliance with MVMCC rules, regulations and enforcement procedures"
- 6 - monitor state legislation affecting the residents

Most of these echo the stated functions of the original Delegation Agreement, i.e., to work with and supervise the professional management company on behalf of the residents.

PAC was the only resident organization at the time of purchase from the Sades and thus the obvious Park party to the Delegation Agreement; however today I wonder whether the HOL might not be a more appropriate partner in achieving the stated purposes of the Delegation Agreement, if it has or could acquire the legal structure to make it an acceptable negotiating partner.

If this is not feasible, PAC's responsibilities should be limited to the original Delegation Agreement and Frei Management should be accountable for all the responsibilities assigned to it in the Management Agreement and the Management Plan. Certain issues, like fair elections, need to be addressed in more detail. There should also be some safe recourse for residents who feel that one or the other party is exceeding or not living up to its obligations. PAC gets its power from the Delegation Agreement; therefore, any restrictions and limitations on its power vis a vis the residents need to be stated there as well. Finally, some clear delineation should be made separating PAC's role as MVSC sponsor and its authority as liaison for all Park residents with the City and the Management Company.

The individual and collective dedication and hard work of the current PAC Board are not questioned. However, I believe that the original decision that a professional management

company should operate and manage the Park, with appropriate resident oversight, is the correct decision for today.

My personal experience here is limited. I moved into the Park in March 2007. At that time, I was told by my realtor, a Park resident, that (1) the City of Novato owns the Park and (2) "resident ownership" was "a done deal, just around the corner." I fell in love with the peaceful setting and "country in the City" feeling of the Park. I believed that ownership by the City of Novato offered a stable situation justifying my investment, and that resident ownership—which I assumed meant a mutual benefit homeowner association—was fine if it happened.

At meetings—primarily MVSC—I soon learned that what was being presented as "resident ownership" was instead a public benefit 501(3)(c) corporation, which by IRS definition can neither benefit nor be controlled by the residents, who are not and cannot be members. During my first year here, the MVSC continued to claim it offered "resident ownership"; later, this claim was changed to "resident control," based on the statistical notion that four residents voting together could outvote three outside directors. (In practice, the three outside directors would likely vote as a unit, so whether it's "ownership" or "control", it would be by three outsiders and one resident). I did not consider Las Robles, because it is privately owned, nor Contempo Marin, because it is owned by a REIT. Had I known there was a possibility of ownership by a 501(3)(c), I would not have considered MVMCC. The rental situation I left would have seemed far less precarious.

In my opinion, this will never be a community—or even a secure place to live—until the ownership issue is settled.

I did not move here BECAUSE of the community aspect, but I accepted this as part of the deal and planned to participate insofar as my "hermit" nature would allow. However, I soon discovered that the 501(c)(3) issue has divided the residents into two antagonistic and sometimes hostile camps based on whether or not one supports the MVSC. One of my main complaints about the PAC Board is that it encourages and promotes this division by ridiculing, denigrating and trying to dismiss anyone who does not support the 501(c)(3). Now that I have read the PAC's purposes, this makes sense as a tactic in a sales campaign. Businesses do it all the time to promote their products. However, in day-to-day living in the Park this creates a negative atmosphere that can be depressing, stressful, and hard to escape.

"Atmosphere" would not normally be an issue for the City, our landlord. (Are we not a community of adults - older and wiser ones at that?) Yet it is relevant to the extent that this atmosphere is a product of the mistrust, suspicion and hostility which, according to long-time residents, started with the formation of the MVSC and the methods it used to "convince" the residents to support the 501(c)(3).

Also, the City itself played a part in this development. I learned from the 1997 documents that, although the original intent appears to have been that the "residents" would own the Park when the bonds were paid off, no particular form of resident ownership was specified

or apparently considered. No one seems to know. It has been stated that at the time attention was so focused on acquiring the Park from the Sades that no thought was given to the form in which title would be turned over to the residents. If so, this would indicate an idyllic atmosphere of trust existing among the parties at that time. It's very different now, and the City could do a great service to all the residents by stating any legal restrictions on the type of entity to which it could, if it chooses, turn over title in 2027. This would help remove some of the uncertainties about our future that plague us all. (I personally would be happy if the City also stated that continued ownership by the City and operation through a management company is an option, should resident ownership prove legally impossible.)

In summary, (which you probably don't need...) I think

1. the Home Owners League should be considered as the appropriate Park party to the Delegation Agreement, freeing the Park Acquisition Corporation to pursue its ownership goals.

2. if PAC is the only choice, the intent and assignment of responsibilities of the original Delegation Agreement should be re-affirmed by the City, the PAC and Frei Management, with built-in recourse mechanisms in case the balance gets off again. One benefit of reversion to the original "review, amend and approve" role could be that more residents might feel qualified to and interested in serving on the PAC Board.

3. the City should do whatever it can to elucidate the residents' legal options when the bonds are paid off.

I hope we will have an opportunity for further, more detailed input once we get the sense of the NFA's thinking at the September 20th meeting. This agreement will rule life in the Park for the next 15 years and this is the only chance for the residents to have an effect on it.

I apologize for the length and verbosity of this letter - you won't believe I spent DAYS editing it down to this!! Thanks for reading it. And thanks again for your efforts and obvious dedication to doing what is best for the Park.

Sincerely,



Martha McConnell
Resident

PAC's Duties and Responsibilities (emphasis mine)

DELEGATION AGREEMENT

Section

- 7.01 "shall **ensure that** a Budget is prepared for the Project pursuant to Section 9 of the Manager Agreement
- 7.03 " will **cause the Property Manager** to provide" FSA, the Owner & PAC with a "Profit & Loss Statement, Cash Flow Statement, Balance Sheet and Budget Control Report for the Month"
- 8.01 "shall **cause the Property Manager** to maintain" ...records of the Project
- 8.03 "shall **cause to be furnished to the Owner and Financial Security** quarterly and annual financial statements...."
- 9.01 "shall **provide and maintain in good repair** all personal property and equipment which may be necessary to enable to PAC to operate the Project for the purposes authorized by this Agreement..."
- 12.02 "shall **cause the Property Manager** " to maintain ... insurance coverage.

- 14.01 An event of default is
"(f) Failure of the PAC to have a **Property Manager operating the Project** and a Management Agreement in effect at all times..."

MANAGEMENT AGREEMENT (also up for review on October `1, 2010)

"WHEREAS the PAC wishes to **appoint** the Contractor to **operate and manage the Project** pursuant to this Agreement;"

Section

- 2 (a) "... The **Contractor shall manage and operate the Project in accordance with the Management Plan...**"

The only specific powers and duties of PAC are:

- 3 (a) "...the right of PAC to **approve the form of** such leases and agreements..."
No work or services shall be assigned to "third parties without the prior **written approval** of the PAC, the Owner and Financial Security."
- 3 (d) the right to **require** that employees of the Contractor be adequately bonded
- 6 (a) "The PAC representative shall have the right to **revise the form of** rental agreements from time to time..."
- 8 (e) "The PAC may, with the consent of the Owner and Financial Security, from time to time **amend** the insurance coverages required to be maintained...."
- 9 (a) "The PAC Governing Board may **review, approve, make reasonable amendments or disapprove** the Operating Budget..."
- 9 (b) "The PAC Governing Board may **review** the mid-year budget report and, with the prior written

consent of Financial Security, the Agency and the Owner, **approve** budget amendments.

10 "The amount of funds maintained in the Replacement Reserve Fund will be based on a physical needs reserve analysis report prepared by a consulting engineer and mutually **agreed upon** by the Contractor and the PAC, with the approval of Financial Security."

13 "Evaluation and monitoring of the Project performance shall be the mutual responsibility of both the PAC and the Contractor. The Contractor shall furnish all data...necessary for the PAC to **monitor, review and evaluate** the performance of the Project..."

MANAGEMENT PLAN

Section

2 Purposes

2 [c] "to operate the Project in a professional and businesslike manner and **separate the PAC and the Owner from day-to-day operation and management of the Project.**"

Eileen F. Cedrun
131 Marin Valley Drive
Novato, Ca. 94949-6715
1-415-883-9368

September 4, 2010

To: Novato Finance Authority
C/O Tim Wong
75 Rowland Way, Suite 200
Novato, Ca. 94945

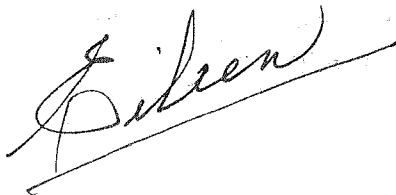
Re: Delegation Agreement Renegotiations

I refer to Cathy Capriola's, Asst. City Mgr., City of Novato, letter of August 13, 2010. Note that I take exception to the self-appointment of Mike Holland and Dave Harrington as PAC representative and party to the October, 2010 renegotiations of the Delegation Agreement between PAC and NFA.

PAC and MVSC are synonymous. PAC, figuratively, has absorbed MVSC. With the exception of Mike Read, current PAC members, at one time or another, were appointed to PAC as incumbents by either Owen Haxton or John Wallace. PAC takes the position residents not attending PAC meetings are not entitled to information from those meetings. That is wrong and a violation of the residents' right to know. PAC is currently attempting to oversee the duties and responsibilities of the property manager (not that it is not needed) in violation of an early section of the Delegation Agreement.

In 2006, between April and October, residents were furnished and asked to sign a new rental agreement, regardless of any agreement already in effect in their files. Some residents out of fear and ignorance signed and returned the bogus new rental agreement to the Park office. Others saw it for what it was, protested, refused to sign and won the day. There was no further effort thereafter to force the bogus rental agreement on residents. Not one to give up easily, right or wrong, PAC / MVSC did enforce the new bogus rental agreement on new residents and included the bogus agreement as an integral part of their application and presentation submitted to the IRS for non-profit 501(c)(3) status.

It would behoove NFA to order a complete review, investigation and evaluation of the practices and performances, as well as a comparable cost analysis, of organizations within the Park, as well as those of the absent property manager and the unqualified and inexperienced onsite maintenance and office personnel employed by him. There is much at stake and residents need to be prepared with a tried and true, reliable, cost effective, operating system and support structure already in place at time of transfer of title to them.



September 4, 2010

Tim Wong
Housing Coordinator
City of Novato
75 Rowland Way
Novato, CA 94945

To Whom It May Concern:

I have lived in Marin Valley Mobile Country Club since the Spring of 2001. I am presently a member of the Homeowners League and the Chairperson of the Park Improvement Committee. I have been on both boards for about six years. I have watched many changes happen in the Park since then. It was a beautiful peaceful place to live until about 2002; since then there have been too many stressful times.

The residents used to have more of a say in what happens here and I'm happy to say it seems to have gotten a little better again lately. I am afraid it will not stay this way though. I think it is because they are afraid the Delegation Agreement won't be renewed if they behave like they usually do. I hope the Delegation Agreement negotiations can put some safeguards in place for the residents. We need them.

I am frustrated because even when residents did speak up at meeting's, it didn't make any difference to the people on the PAC Board. There have been many times where they were very rude in how they responded to residents, let alone answer clearly to questions asked. They do whatever they want to do. They control what questions get asked at the Meet the Candidates Night. They decide what kind research does or doesn't get done on how the residents can own the park and they have only been interested in a 501c3. It has been this way for years now. They and the people who want a 501c3 treat the ones who don't want a 501c3 like we are stupid and trouble-makers. Now they are giving Orientation Meetings for new residents and only telling them about a 501c3.

Al Frei is supposed to be the Manager of the Park but it seems the PAC Board overrides his authority and have decided to take over some of the management responsibility. I want PAC to do what it is supposed to do and no more. They have taken over too much. They even decide what work the Management staff will do and for who.

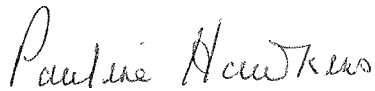
As far as I know the NFA has always been more than fair with the residents of our Park. They have let us run our own lives. Now it might be better if NFA were more involved and put some protections in the Delegation Agreement. I think it is wrong

for the PAC to want a 501c3 to own the Park because PAC was formed to help the residents own MVMCC and a 501c3 is not owned by the residents.

I was told when I moved in the residents already owned the Park and I am including the flyers from that time with this letter. This fight has been going on for almost 10 years. I did not move here to fight with my neighbors. I would like it to stop.

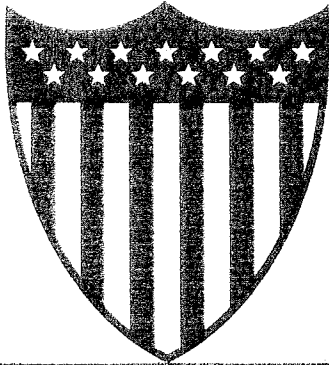
Anything the NFA can do to help end the stress in the park will be appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Pauline Hawkins".

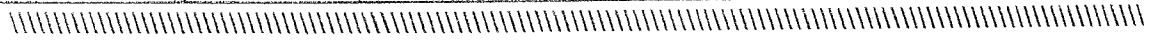
Pauline Hawkins
160 Marin Valley Drive
Novato, CA 94949

Submitted by
Pruline Hawkins



Homes For Sale

6/2004



Address	Size	Space Rent	Price
103 Marin Valley Drive	24 x 48	\$518	\$129,000
133 Sunrise Lane	24 x 65	\$519	\$159,000

For More Information Call:

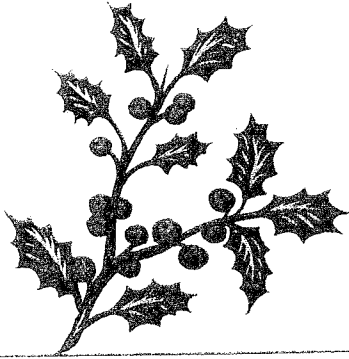
Provident Real Estate

Ben Street
415 883-1118

"This is a Resident Controlled Park"

changed in 2004

Submitted by
Pauline Hawkins



12/01.

Homes For Sale!



Address	Size	Space Rent	Price
27 Scenic Drive	12 x 56	\$478	\$55,000
41 Scenic Drive	12 x 56	\$436	\$69,000
103 Marin Valley Drive	24 x 48	\$498	\$78,500
182 Marin Valley Drive	24 x 56	\$550	\$119,000
111 Sunrise Lane	24 x 57	\$506	\$131,000
12 View Ridge	24 x 60	\$703	\$179,000

For More Information Call:

Provident Real Estate

Ben Street
415 883-1118

"This is a Resident Owned Park"

When I moved in

September 7, 2010

Confidential

Tim Wong, Housing Coordinator
75 Rowland Way, #200
Novato, CA 94949

Dear Mr. Wong,

I have been living in this Park for 22 years. I believe PAC has too much power. It was formed to help the residents buy the park. I was on the Homeowners League when Walter Pose started the PAC. The whole purpose of forming it was for the residents to buy the park if the private owners decided to sell it, not to control the Park like they do now.

I have been an active member of our community all through the years. I have been on the MAR-VAL Board and volunteered on many committees. My involvement in meetings has become less and less because of the way the PAC has assumed so much control and because of how residents are now treated. It began in 2001 and has gotten progressively worse.

I don't understand why we even need the PAC anymore. The NFA acquired the Park when the residents could not afford to buy it. I like knowing the PAC has to answer to the NFA and that Al Frei is in charge of taking care of the park. I think PAC has forgotten they are not in charge.

Residents used to have more say in how the park was run and we knew more about what was going on. They have their secret meetings, make decisions without asking what the residents want, and treat many of us like they are our bosses.

I resent how they forced one of the board members to resign by being so rude to him he could not stand to stay on the board. Then they replaced him with someone they could tell what to do. They have done this more than once. Then the person they appointed gets elected in the next election because everyone knows he is on the board already. The PAC has made the elections very hard to understand. The instructions are not clear and they throw away some of our votes.

One year one of the PAC Board Members opened the outside envelopes at the Clubhouse. When I asked him what he was doing, he said he was doing it to make counting votes faster. I told him it was not legal according to the rules and he said "Who's rules?"

PAC tells the Management employees what to do. They are not supposed to be doing that. They are supposed to make sure the Management Company is doing its job. PAC has taken power away from HOL and Mar-Val. I would like to see the PAC organization completely dissolved because there is no reason for them to be here anymore.

I would like the NFA to write a letter to PAC, MVSC, and all the residents telling them negotiations to transfer MVMCC to any 501c3 either has been tabled indefinitely or permanently.

Thank You,

A concerned resident

September 7, 2010

Novato Financing Authority
c/o Tim Wong, Housing Coordinator
75 Rowland Way, Suite 200
Novato, CA 94945

Re: Marin Valley Mobile Country Club

To Whom It May Concern:

Thank you for the opportunity to offer comments on the upcoming Delegation Agreement negotiations and for all your time and consideration of our comments.

In talking with some of my neighbors, I find we all have a similar concern. When we begin to try to describe our objections to the PAC governance in the Park we begin to feel like we are merely whining, yet our protests are valid under Robert's Rules of Order. In rereading the Webster's New World Robert's Rules of Order again recently, it becomes clear to me our rights are being violated, our voices, concerns, opinions, ideas, are being silenced. And it's is not a new occurrence in this community. It spans many years. It is only because of this opportunity to speak with you, to make suggestions, we have hope of regaining some effective involvement in the decisions that affect our lives every day.

If the NFA chooses to renew its contract with the PAC, I would very much like to see the PAC bylaws include Amendments which include *monthly* membership meetings, governed by the Brown Act and Robert's Rules of Order. I would like to see clear definitions of when the PAC Board of Directors can call Special Meetings, Executive Meetings, and Closed Meetings in the bylaws. While I am not as familiar with the Brown Act, I am attaching an outline of the specific sections of Robert's Rules of Order I would like to see addressed.

In truth, this small community does not function well under its current structure. I would actually like to see the NFA contract directly with the Project Manager, eliminating the PAC's power and control over the daily running of the park. We are a Senior Citizen Community with many low-income residents. Those two circumstances leave many of us with little energy to fight to protect our rights, our homes, and our community.

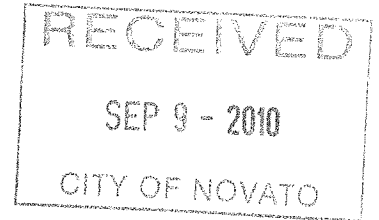
Further, I would like to see a clear decision from the NFA to stop all negotiations regarding a transfer of title. It has been the oversight of the NFA, FSA, RDA and

● Page 2

even the City Council that has made it possible to live here at all. I shutter to think where the residents would be without that oversight.

Gratefully,

A resident of Marin Valley Mobile Country Club



Barbara D. Brown
9 Meadow View Drive
Novato, Ca 94949
(415) 382-1410

September 8, 2010

Cathy Capriola
Assistant City Manager
City of Novato
75 Rowland Way, #200
Novato, CA 94945

Dear Ms. Capriola:

Thank you for your letter of August 13, 2010. The information about the Delegation Agreement was new to me.

I have lived at Marin Valley Mobile Country Club since December of 1991. I work full time, and do not usually get involved in park matters, even social events. At the weekend I visit with friends, run errands and do all those other things I do not have time to do during the week after work.

The original agreement was not a document that all park residents were privy to. It was negotiated by and drawn up by attorneys, without any input from residents and without the residents being given the opportunity to participate in its terms and conditions. If renegotiation of the Delegation Agreement is to be equitable, it must in all aspects protect the rights of the residents; in particular, full acknowledgment and adherence to the Brown Act, each resident's right to a vote; each resident's rights to participate and to be a party to any and all negotiations as well as to receive full updated information on all that transpires within meetings of park organizations and jurisdictions; complete compliance by those in authority to protect resident rights and to observe a strict adherence to terms and conditions of each document (of which I believe there are many) that may impact a resident's life.

The ECHO, the park's monthly paper, could be utilized to reach all residents and keep them well informed. Currently, its purpose appears to be primarily the announcement of social activities. Residents need to be kept well informed and to have all the legalities affecting them and the park explained in a language they can all understand. There should not be an absentee property management company responsible for the oversight of the park. On site management personnel must be experienced and qualified, and there should be park operating procedures in place for them to adhere to. Both management personnel and residents need to be aware of their respective areas of responsibility, and

residents should not have to pay for services not properly addressed, undertaken or rendered to them.

Finally, is there a need for so many organizations with separate Articles and Bylaws to exist in the park? It only makes for a conflict of interest and attempts to assume responsibilities within the province of the property management company, causing the latter to become lax and encouraging on-site management personnel to vacate what is truly their responsibility.

Very truly yours,

A handwritten signature in black ink that reads "B. Brown". The signature is written in a cursive, slightly slanted style.

Janeen Thomas
15 Fallen Leaf Way
Novato, CA 94949
September 8, 2010

Novato Financing Authority (NFA)
C/O Tim Wong, Housing Coordinator
75 Rowland Way, Suite 200
Novato, CA 94945

Mr. Wong (on behalf of NFA):

As a 7-year resident of the Marin Valley Mobile Country Club (MVMCC), I am writing you with concerns about the Delegation Agreement Renewal (DAR) between the NFA and the Park Acquisition Corporation (PAC).

Since moving to MVMCC, in 2003, I've been an active member of the community: successfully campaigning for a stop sign at the intersection of Marin Valley and Bolling Drives, serving as Second Vice President of the Home Owners' League (HOL), chairing the Contractor-Handyman Committee, working with the Park Improvement Committee, and currently chairing the Just One-Hour/Helping Hand Committee. I mention this so you will know I am more than a passive critic. And though I remain dedicated to my community, I've become increasingly cynical about the political machine NFA has vested with the authority to manage this mobile home park – namely the PAC. In fact, I've become doubtful that residents of MVMCC will ever be able to fairly govern themselves without third party oversight. "Fairness" is the key concept here. My chief complaint regards PAC's treatment of those who disagree with its proposed vehicle for "park ownership" and its portrayal of the NFA as an evil landlord that acts in bad faith.

In the current DAR negotiations, I would hope PAC can be reminded that it holds only those powers delegated to it by the NFA, and that it has a duty to represent and serve an entire community – not just those who follow the orthodox PAC party line.

As I see it, PAC is obligated to the NFA to present MVMCC's history in an objective/fair and balanced way. Instead, we are getting a revisionist version that vilifies the City of Novato and the NFA. Very few movers and shakers involved in the original covenant between the City and mobile home park residents are alive to tell the story differently. Those who try are demonized as obstructionists or ridiculed as memory impaired crackpots; while newcomers who ask challenging questions are patronized for their youth and naiveté, which denies them credibility/standing in the community.

PAC controls New Resident Orientation without any oversight. It will soon control the park's monthly newsletter and be free to use that for indoctrination/propaganda purposes as well.

JT. 65

I am one of a considerable number of residents who strongly feel PAC is going down the wrong road to insure Marin Valley remains a senior mobile home park with affordable space rents into perpetuity, but there seems no safe venue to voice this opinion. As dissenters, we have been treated rudely and marginalized in meetings, have no park sanctioned way of representing our views to new residents – and by the time we are able to approach them 1:1, we've already been discredited as "purveyors of misinformation" & "rumor mongers" with an agenda that does not serve the best interest of residents.

Candidates for PAC Board seats, who have not passed the loyalty test, are labeled "false." See sample of Campaign literature below:

**Vote for the only *true* PARK ACQUISITION (PAC)
CANDIDATES -those who support the transfer of title
from Novato to MVSC- completing the plan that was
created in 1997 and representing park majority.**

**SANDRA FIGONE
MIKE HOLLAND
JEANNE SKYBROOK**

**Vote for the only NOVATO FINANCE AUTHORITY (NFA)
candidate who truly represents the best interests of our
community and supports the title transfer to MVSC.**

ELEANOR (ELLIE) SLUIS

This being said, I realize there is no law against mud slinging in political campaigns, and that morality cannot be legislated. Yet I am reluctant to attend meetings where a person's character can be assassinated and their opinions belittled at the whim of the PAC.

Possible Violations of Delegation Agreement and Remedies:

I have reviewed the Marin Valley Mobile Country Club Park Delegation Agreement of 1997 and the only possible event of default I can cite is ARTICLE XIV, Section 14.01(d) – which is open to interpretation. It seems that it might prohibit PAC from misrepresenting itself in relation to the DAR, Loan Agreement, and Mgt. Agreement to residents, prospective residents and the press. However it is ARTICLE XVII/Miscellaneous Provisions, Section 17.12/Non-discrimination that holds most promise for me. I would like to see it amended to read:

“... this Agreement is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, political opinions or affiliations, sex, physical handicap, disability, national origin or ancestry in the operation and control of the Project”

This would offer dissident thinkers some protection against retaliation – i.e., denial of services/withholding needed repairs, etc., &/or harassment at social affairs.

Furthermore, I'd like to see this non-discrimination clause drawn up in a Code of Conduct for general meetings of both the PAC and the NFA. I would like the proposed Code of Conduct to also include “no name calling” and no “cross-talk.” I would like to see it presented, in writing, to all that attend such meetings – packaged with the meeting's agenda and minutes of preceding meeting. I would like it to be read at the beginning of each meeting, inviting any attendee to utilize a two-minute speaking session to point out conduct infractions missed by the presiding body --- including a notice that all infractions will be noted in the minutes. What's more, after a certain number of infractions (whatever number the PAC and NFA agree upon), an attendee shall be expelled from a meeting.

And lastly, to limit PAC's ability to misrepresent and vilify the City of Novato/NFA, perhaps each general meeting of the NFA could include a brief run down of park history, whether verbal or written – defining the relationship of PAC to NFA (the park's owner); or at the very least, write up the NFA version of park/project history and include it with information packets supplied at each meeting.

I sincerely appreciate your consideration of the above:



Janeen Thomas, of 15 Fallen Leaf Way

ADDENDUM:

OOPS! I had another, last minute, thought --- so please scratch the "Lastly" in prior paragraph.

In addition, should the NFA renew its Delegation Agreement with the PAC, I suggest the term of Agreement be no less than 2 and no more than 5 years before re-evaluating the PAC's compliance/re-negotiating a subsequent Agreement.

Finally, thank you again for allowing me this input:

A handwritten signature in cursive script that reads "Janeen Thomas". The signature is written in black ink and is positioned above the typed name and address.

Janeen Thomas
15 Fallen Leaf Way
Novato, CA 94949

Novato Finance Authority
c/o Tim Wong
75 Rowland Way, Suite 200
Novato, CA 94945

September 10, 2010

PAC (Park Acquisition Corporation) was formed at the time of the purchase of MVMCC (the Park) from the Sades by the Novato City Council (NFA) in 1993. PAC is a mutual benefit corporation, its Bylaws allowing for resident participation and vote, in contrast to MVSC, a public benefit corporation, whose Bylaws forbid any and all resident participation or vote. PAC obviously did not had the best interests of the park at stake when it appointed a real estate developer and those that worked with or for him to take title to the park if a transfer were to occur.

Today's PAC has lost its objectivity, impartiality, and transparency. It has become divisive and no longer represents the Park as a whole. I may be in a minority of one on this point, but in my view, clearly PAC clearly needs to be eliminated. I realized that in all likelihood this is not a realistic possibility.

However, PAC could be kept intact without board members in the event of a future transfer, as a mutual benefit corporation. HOL, Homeowners League, could become a Homeowners Association (HOA) and serve as a liaison between residents, Property Management, and NFA. Most mobile home parks are structured this way. The Office Manager could become the on-site manager and have the responsibilities of forwarding to Property Management new applications, repair requests, received bills, rent receipts, and resident complaints. And, finally, NFA could continue to provide oversight, scrutinizing the budget for any abuses or duplications, and offer recourse to residents.

Suggestions for the Novato Finance Authority regarding the PAC Delegation Agreement

1. **Checks and Balances** Include on the PAC board chairpersons of HOL, MarVal, and two at-large board members from the community who are experts in the fields of finance and law *only*.
2. **Clarification of job descriptions and the process for accountability.** As a former property manager, it appears to me that, rather than Property Management assuming responsibility for the day-to-day running of the park, its maintenance, and budget oversight, for which he is being paid, the park has taken over many of those duties and costs. I do not believe PAC has the experience or expertise for property management or finances. There is little or no accountability for actual time spent on either property management or maintenance in order to account for costs. Property Management should assume these responsibilities and remove PAC from those roles.
3. **Duplication of Services.** As I understand the budget, it appears we have four managers – an Office Manager, Park Manager, Maintenance Manager, and Property Manager. In many mobile home parks, the Office Manager is the on-site Manager and receives compensation from the Park and free rent. The Maintenance and Park Managers were originally hired for park maintenance only. These jobs should be eliminated and, rather than delegating the work to outside sources as it is now, Property Management should employ maintenance workers and landscapers. As it presently stands it is very costly to the park.
4. **The Brown Act and Transparency.** PAC holds meetings outside the park that are not posted. During the formation of MVSC, with little information being distributed to residents by PAC, one resident photocopied the entire MVSC bylaws at her own expense and distributed them to all **315** homes. Resident groups with alternate candidates or viewpoints do not have like resources. This practice should be stopped and the Brown Act included in the Delegation Agreement.
5. **PAC Board Impartiality.** For a number of years, the PAC board members have become increasingly politicized both inside and outside of the park. They put forward their own biased agendas. In order to convince doubters, the uniformed, and those with opposing viewpoints They continually try to convince the very elderly, infirm, apathetic, those without computers, the isolated, and uniformed newcomers of their agenda by taking new residents to ice cream, having weekly coffees and presenting only one side to an issue in order to convince doubters. Those with opposing views, find trying to voice their opinions at PAC meetings pointless and intimidating. A board representing all residents should remain impartial without political involvement.
6. **Eliminate all Board Appointments.** The way the boards are filled has become a game of musical chairs. When there's a vacancy, a like-minded resident is appointed, thereby becoming an incumbent for the next election. An incumbent is almost always reelected. MVSC. board members and PAC board members are switched back and

forth at will without resident approval. As an example, within the last two weeks, there has been one resignation on the MVSC board and a resignation on the PAC board. If the above pattern follows, the PAC board member will be moved to the MVSC board and an appointee will be named for PAC without resident approval. There have always been attempts to bypass the election process. Appointments on all boards (PAC, HOL, and MarVal) should be curtailed and, if necessary, interim elections held.

7. **More Financial Oversight and Accountability.** I have concerns about PAC's role in the budget process. I have excerpted and categorized like-kind entries from PAC'S suggested 2011 budget in an attempt to indicate duplication of services or possible unnecessary expenses. Many entries are itemized as "other, miscellaneous, or contingency". I realize that most budget items are necessary, but I question the costs and duplication of services. The use of time-sheets and a timeline for resident repair requests would be helpful. Ultimately, these are monies that come out of the pockets of many very low-income residents.

Wages and employee expenses

- Salaries, Office Manager, Maintenance Manager, Assistant Manager, Property Manager 130,30
- Health, P/R, Workers Comp 20,040
- Manager's home repairs, Uniforms, Vehicle repairs, Travel 4,500
- Manager's home rent. I was lead to believe that two managers' homes were paid for by the park, It is unclear in the budget however. 11,916?

Maintenance

- Concrete, fire abatement, pool, street repair, gas, electric, generator, water, sewer, utilities, tools, equipment repairs, supplies, equipment, *misc. repairs, Contingency* 80,820
- Landscaping, *Trees, HOL planting (\$10/yr x 315 spaces)*

Office Expenses

- Supplies/Equipment, outside services, copier, *education/seminars, dues/subscriptions, advertising, phone, other* 19,100

Legal

- *Transfer attorneys and research (\$25,000/yr), Misc Legal* 37,000

Park Organizations

- *PAC, HOL (\$30/yr), Mar/Val (\$10/yr) x 315 spaces* 12,600

Thank you for your time and consideration

Respectfully submitted anonymously

September 10, 2010

Novato Financing Authority
c/o Tim Wong, Housing Coordinator
75 Rowland Way, Suite 200
Novato, CA 94945

Re: MVMCC Delegation Agreement

I would like to see the following items addressed and/or included in the Delegation Agreement / Management Agreement renegotiation:

⇒ **Park Ownership** The issue of MVSC (and previously LINC) obtaining title to the Park has been the major source of division and conflict in the Park for the past decade. PAC's original purpose was to purchase the park for the residents, but the PAC has since become an active supporter of MVSC, a 501(c)(3) public benefit corporation, a structure which many residents have now concluded is not in their best interests.

Currently, there are a range of opinions concerning what will happen when the tax-exempt bonds are finally paid off:

- Due to the current budget deficit, the City will keep title to the Park (title is currently held by NFA) and either use the revenue stream from the Park to alleviate its budget deficit, or sell the Park to developers.
- The City will sell the Park back to the residents at full market value, meaning that the residents will have bought the Park twice. This has frightened many of the residents into believing that title must be gotten from the City now before even more money is required.
- The City will transfer title to PAC (or a similar Mutual Benefit Corporation), but require some additional payment from the Park.
- The City will transfer title to PAC (or a similar Mutual Benefit Corporation) at no additional cost to the Park residents. This is the understanding of many of the original residents and those who bought in here prior to about 2003, when the Park was being advertised as a resident-owned park.

The unending problem is that the Original Documents do not specify what happens once the bonds are paid off, and the various factions within the Park are operating under assumptions only, with no real facts upon which to make an informed decision. This is dividing the park, and causing untold stress and strain on the residents. Unless the NFA is willing to work with PAC and the Park residents to finally resolve this issue, division and conflict will continue with no end in sight.

- ⇒ **Transparency** The PAC should be required to operate under the provisions of the Brown Act. At an 8/6/2001 PAC meeting, it was announced that Board meetings would no longer be open to the residents. It was at that meeting where most of the audience got up and walked out. This issue was subsequently addressed in a memorandum from Veronica Nebb on 10/15/2001. At the 11/7/2001 PAC meeting, PAC adapted Resolution 2001-2 to seek opinion from an appropriate state authority regarding the application of the Brown Act to the PAC board. I don't know if a formal ruling was ever obtained; however the issue of the Brown Act has been a constant source of resident concern for the past decade.

- ⇒ **Infrastructure** Insure that adequate planning and reserves are in place to deal with the aging infrastructure of the Park, especially cable, phone, electrical, and pedestals. These utilities are buried rather than being run through conduits. The phone system has constant problems with loss of service and/or severe static, especially during the rainy winter months.

Name withheld by request

Tim Wong Housing coordinator, and City Staff
Regarding Delegation Agreement with Park Acquisition Corp.

Note*Please keep this confidential!

Freedom of speech sometimes needs the freedom to be anonymous-this is one of those times.

Over the last couple of years, there has been a concerted effort to make PAC look better. A Charm offensive has been under way. PAC has been making attempts to look and sound different than it normally does, their portfolio of wonderful accomplishments is overflowing, all of this new kinder gentler thousand points of light PAC board is entirely BECAUSE of the Delegation Agreement Renewal. After it is over, so too is the nice guy act. Please Do not be taken in by it.

The City needs to remember that Marin Valley is a senior community, it is not Bahia where the average age is 40. Most residents in MVMCC do not have a clue what is going on in the park, and they rely on others to help them decide what to think or how to vote on matters of park importance. Therin lies a problem.

In an older resident community such as Marin Valley, it is probably a misguided idea to expect self governance to work the way it would in an all age condo development. Since most people in our park are not interested or not capable of understanding what is going on politically, it is left up to an ambitious and clever few to run things, and human nature being what it is, that is often not in the best interests of the community as a whole.

Marin Valley MCC with an average age of 70 +, means that many residents have reduced capacity of critical thinking ability and judgment, and this in turn makes them extremely vulnerable to persuasion and exploitation by abuse of authority, superiority of will, intelligence or knowledge. These types of abuses **are** going on in MVMCC.

These types of abuses have been perpetrated by the PAC

These types of abuses **are** going on in MVMCC.
These types of abuses have been perpetrated by the PAC board on the senior residents of Marin Valley for 13 years and they are still going on now.

Unfortunately, PAC's long standing and continuous behavior of prejudice, discrimination and recrimination against any residents who might disagree with its stated agenda, dates back to 1997, and is one of the most troubling problems with this organization and a major source of conflict in the community.

Among other things, PAC board members have run a concession stand of patronage and retribution.

If you are one of the true believers and a friend of the cause, and you need something like a retaining wall or a tree trimmed, or a spot in the RV lot, it will happen quite fast and magically, suddenly you are up at the top of the waiting list even though others have been there years before-waiting patiently.

If you are not one of the annointed friends, then you will wait several long years for these things, if they happen at all.

This also applies to who is required to get an HCD permit for work done at their site and who doesn't have to.

If you are "well connected", you could completely rebuild you house without permits, and there are examples of this.

One question I have is, how aware is the city of the extreme conflict of purpose between PAC's contracted role and responsibilities to the city, versus its corporate chartered mission to take title to MVMCC?

Is the city aware that PAC considers fomenting anger and discontent over city ownership as part and parcel of its corporate mission? And is the city aware that PAC is obsessed with trying to wrest away ownership of the park from the NFA--- all the while purporting to represent the NFA's best interests as an independent contractor to the owner?

Is the city aware that the residents are caught in the middle of this unworkable arrangement, and many are extremely exhausted by it to the point of being emotionally and physically sick?

Frei management and its staff have done a good job in this park, they are also well liked. However, there is a lack of professional distance between management and PAC. Certain PAC board members have been exerting pressure on the on site management staff, controlling the work flow and determining what they do when and for who. If the city renews the DA, there needs to be a firewall between these two contractors, I think that the city should be more involved in the management agreement and plan for MVMCC and provide oversight to PAC in this regard, it should not be left up to PAC entirely, or perhaps not at all.

There is also much speculation among the residents that the PAC board and the MVSC board are "steering" contracts to cronies and "interested persons" surrounding these boards. The recent engineering work in the park was rumored to have been done by an MVSC board members company.

I believe a majority of the residents in the park appreciate and value city ownership with its professional oversight and checks and balances, and that they do not want things to change. Most residents just want to live here in peace, and not be continually subjected to electioneering, sloganeering, campaigning, lobbying, agitating and bullying over park ownership and transfer issues, which has always been a staple of PAC activity.

Marin Valley represents a perfect storm for those people with grand designs on the property.

An unaware and easily swayed voting block, a righteous cause and claim to ownership to whip up anger and put pressure on the city, very clever and smooth talking politicians posing as beleaguered residents, a beautiful piece of property ripe for development with riches to be had for all involved.

This park is three votes away from being given away to sharks and grifters. The residents of the park and the city of Novato, will be the big losers if that comes to pass.

PAC should absolutely **NOT** be renewed as contractor to manage the park. Any property manager could do the job that PAC is now doing, the current manager could do it.

PAC, if removed from their duties as contractor, would not go away, but they would lose power, significance and funding. They could still carry on their jihad, but with less authority and less negative impact on the residents. PAC is a sacred cow to the residents, but the removal of PAC as contractor would be the best thing for the residents and for the city in the long run.

Eileen F. Cedrun
131 Marin Valley Drive
Novato, Ca. 94949-6715
1-415-883-9368

September 12, 2010

To: Novato Finance Authority
c/o Tim Wong
75 Rowland Way, Suite 200
Novato, Ca. 94945

Re: Delegation Agreement Renegotiations - 2

Here we are on the brink of renegotiating the Delegation, the Mortgage Loan and Management Agreements, having gone all most full circle since March, 1997. Are the residents better off as a result? It depends upon whom you ask. This writer would give you a loud and resounding **NO**.

It's been a nightmare and may continue as such if nothing is done to eradicate MVSC'S efforts, once and for all, from raising its ugly head again and again in quest of title, control and effort to wrest ownership of the Park from NFA/FSA. Thousands of dollars were allotted to and squandered by MVSC in their initial and failed attempt. Money that could better have been and should have been spent on still outstanding capital improvements such as the seismic retrofitting of the clubhouse, wheel chair access to its lower floors and more importantly a much needed sewer system. Can an addendum be added to the Agreement that any consideration of an option cannot disavow resident vote nor participation?

I have been made to understand a 501(c)(3) designation, unlike what residents were led to believe, is not strictly necessary for transfer of title from a 501(c)(3). If true, I would appreciate written clarification and explanation to all residents. Such clarification would be greatly appreciated as the need and lack thereof were used as weapons to frighten residents into voting for the designation.. Should it also be so stated in the renegotiated Agreement?

Now we have PAC which has become synonymous with MVSC. PAC, too, has ambitions. It would like to assume management of the Park. What could only be excused as ignorance or considered as a blatant violation of Article I, Sec. 1.02 of the Delegation Agreement. PAC may be looking to amend this Section of the Agreement, but could run into the roadblock of conflict of interest. Will PAC have legal representation? Will residents be allowed input?

Though a Management Agreement was signed, first with Storz (March-November, 1997) and later Frei Real Estate Services, Citrus Heights, Ca. (November, 1997 to date), and the Agreement does exist and is a part of total documents, in essence and in practice there

never has been an onsite property manager "absentee" or otherwise. The Park drifts where ever the tide or current takes it with no hand at the helm to either steer or guide it. Announcements were/are made to residents, more often than not, signed by either the then Office Manager, Shirley, or recent self-appointed property manager. At times, either Owen Haxton or John Wallace or both stood in for the absent Al at many an NFA meeting. Did Al Frei miss an opportunity to tie in with Hamilton when Pat Eklund urged management to contact and consult Hamilton while Hamilton's planning and development of its sewer system were still in infant stage of development? Best consult Pat Eklund.

Why does the Park retain the services of an outside landscape company to care for and tend the common areas around pool and clubhouse when we retain two maintenance employees? There is a definite lack of initiative on the part of these two employees and much of the Park's common areas are overrun with tall grasses, wild blackberry bushes and other bushes allowed to grow rampant, dead tree branches are not cut from trees, street gutters are not regularly swept, and the list goes on. Were it not for Park Improvement and its cadre of volunteers and residents like them nothing would be done to enhance and maintain the natural beauty of the Park. You have only to drive thru the entrance and look for the Park sign hidden behind brush and bush to appreciate the Park is not being maintained. It is showing signs of neglect in more ways than that one.

Maintenance personnel are grossly over compensated for what they do, which is very little. They read PGE meters only because it's necessary, they repaint roadway signs only because safety requires they be visible. Never do you see them walking the Park checking out conditions and listing work or repairs that need to be made. Personnel are unsupervised and unaccountable. There are no time clocks to punch and no check off work sheets to account for number of jobs and nature of jobs completed each day and time spent on each. The sheets are an indicator of how each man spent his time and day, the costs of labor and materials.. Lunch hours are not staggered. All go at the same time and the answering service takes over. Why not stagger and save on the service? More often than not you see the employees sitting behind a desk in the office or behind the steering wheel of a truck. Why walk when you can ride and the gas is free?

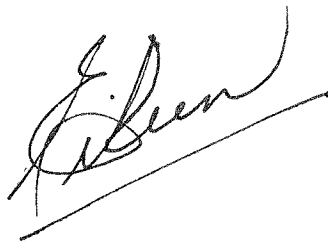
One employee has now assumed the title "property manager". When was this allowed? Where did the appointment take place? Who authorized it? What other mobile parks has he managed, what were their evaluations of him, were his references checked and verified? What are his credentials? Was the title granted as a convenience to meet or placate or quiet some requirement or need, regardless of the individual's lack of qualification and experience? If so, aren't the residents and the Park being short changed and taken advantage of? Is this fair to either?

Has this employee authority to order residents off a "common area" with an ultimatum and demand they provide the Park with an insurance policy against damage that may result from a possible fall before allowing them back in the area? Is this action legal? When was the rule/requirement instituted? Why weren't residents told or warned? When was the first and last time a resident fell on/in a common area and sued the Park? How

many policies does the Park expect to collect? Should the subject of residents carrying insurance policies on the Park be mentioned in the Agreement?

There has been benign neglect and a lack of direction from NFA in regards the direction of the Park. It was brought to the attention of the NFA board at their last 2009 NFA meeting. NFA promised then to have a response for the residents at the NFA'S first meeting in 2010. Will we still receive it? The NFA needs to re-evaluate and weigh advantages against disadvantages in contracting between a local (within a fixed radius within the Bay Area or within limits) versus a property management company some distance off in consideration of a management change. You can only conclude from the foregoing that we truly need a strong knowledgeable onsite manager versus an absentee where it is left to others to render direction and accountability. If not, a consequence is neither is met. Though the Delegation Agreement leaves the search for the management company to PAC, subject to NFA/FSA approval, based on current experience, would not City staff be more objective and qualified to make the search?.

NFA really needs to bring someone qualified to give the board a clear sense of and true concise evaluation of management and maintenance conditions and systems and procedures, or lack thereof, in the Park. You owe it to the residents. If MVSC was allowed to squander all that money, surely the residents should be allowed or entitled to the expense of a management consultant. The consultant should be required to submit a thorough written report on what would need to be done most to run the Park efficiently and economically in today's environment and into that of a near future.

A handwritten signature in black ink, appearing to read "J. Green", is written over a horizontal line.

Tim Wong
Cathy Capriola
Veronica Nebb
Jeanne MacLeamy
75 Rowland Way, Suite 200
Novato, California 94945

This is in response to your notification that the City of Novato is accepting comments regarding the renewal of the delegation agreement with the PAC of the Marin Valley Mobile Country Club. Please forward/provide this information to the appropriate agency of the City of Novato.

Having been a resident of MVMCC for several years just as the PAC was given their authority, I strongly urge the City of Novato to NOT renew the PAC agreement.

In addition, I strongly urge the City of Novato to NOT transfer ownership of MVMCC to the residents until, as Assistant City Manager Mary Neilan stated in February 2008 as quoted in the Marin IJ, her areas of concern are satisfied.

If the property is transferred to the residents it will not be long before the residents will be exploited by some of their own. The NFA is a safety system that should stay in place.

Unfortunately, I have very few of my records with me after our move from Novato to Houston, Texas in 2001. Most of my records were given to residents of MVMCC, and those residents are hereby authorized to provide any of those records to the City of Novato.

I was one of many residents who believed the PAC was being used as a tool for self aggrandizement for two individuals who ran the PAC, and their multiple attempts to sell or lease the property to another entity.

The mere fact that the PAC has not succeeded in leasing or selling the property is a testament to the viability of the residents who continue to oppose the PAC and its policies.

One of my remaining files is a letter I wrote on September 7, 1999 to the Chair of the Novato Finance Authority regarding the unethical actions of the PAC in regard to their calling of an urgent meeting of MVMCC to vote to have a company in southern California named LINC take over responsibility for MVMCC.

This was a blatant attempt to have a supposed charity organization operate the property. Through diligent reading of the fine print and examination of the financial reports of LINC we organized opposition to the transfer by PAC. PAC's attempt failed the vote. Not too long after that failure to sell, LINC ceased to exist.

Later, PAC tried again to lease/sell the property to another similar organization with ties to regional lawyers and real estate individuals. Again the residents gathered and defeated that proposal.

I remember the instance just prior to our departure where the president of PAC authorized the sale of a coach in the park used by the park manager, and the purchase of another coach without the approval of the residents or the City of Novato. That unauthorized sale, later, cost MVMCC over \$40,000. This was, I believe in 2001, and had to do with real estate taxes on the unauthorized sale.

On one occasion, Mr. Haxton submitted his application to be a member of the Board of Directors for the California entity that oversees the rules and organizations of coaches and their parks. I cannot remember the name of the influential organization, however, after a strong protest from the residents of MVMCC, he was not elected to the board. That board would have been able to rewrite guidance to mobile home parks that could have a great influence on the sale of such properties.

During the years Helen and I lived in MVMCC there was a constant battle with PAC because they were continually trying to either sell or lease our property to someone else, or they were devising other self imposed rules that were a detriment to the residents of the park.

I just reviewed on the internet the PAC By-Laws Seminar held 9/8/2008. The wording in Section 1. OBJECTIVES AND PURPOSES is blue in color which probably denotes a change from the original by-laws.

Knowing the elusive and devious nature of the PAC board I suspect some of the wording was changed to allow PAC to sell MVMCC. Specifically paragraphs (c), (d), (e) and (f). Although the wording sounds innocuous those same words can easily be used to allow PAC the opening it needs to try another assault to sell/lease the property as they have tried previously.

Do not underestimate the former members of the PAC Board. They have a desire to sell the property, and that desire has been evident in their years of action that were only been defeated by the grass roots opposition of the residents. Although certain members may not be on the PAC board they continue to have significant influence on decisions made by/for the board.

Having been kept apprised of PAC's misadventures since I departed Novato I believe PAC has squandered its good will over the years, and has lost the trust of most residents.

I urge the City of Novato to NOT allow PAC to continue in represent the City. It has only been by actions of the residents and elected members of the City Council that MVMCC has survived. PAC has tried repeatedly to force their will on the residents and failed. Now it is time for PAC itself to go packing.

Submitted respectfully, 9-12-2010
Ronald Stenzel (former resident of # 3 Wild Oak in Marin Valley Mobile Country Club)
7315W Hearthstone Green Dr.
Houston, Texas 77095
(281) 463-9110
rons@ldgroup.biz

Jon Thomas
15 Fallen Leaf Way
Novato, CA 94949
415-382-6200
tecopaj@sonic.net

9-14-10

To: Tim Wong

Subject: MVMCC Delegation Agreement Renewal resident input.

I am writing to provide input regarding the Delegation Agreement Renewal between the NFA and PAC. Thank you for creating the opportunity for residents to be heard on this matter.

I have lived in Marin Valley MCC for seven and a half years, and during that time, I have witnessed some PAC board actions and behavior that I believe the City of Novato needs be aware of, and should weigh in their consideration of DA renewal with PAC.

The Park Acquisition Corporation started with noble intent. It was incorporated in 1988 for the purpose of trying to effectuate the purchase of Marin Valley from the private owner- should that owner ever chose to sell.

In 1996 the owners made it known to the residents that they wanted to sell the property, at which time PAC sprang into action trying to find a way to buy the property and create a resident owned park, as per their corporate charter.

The residents knew full well that the sale of MVMCC to another private buyer would most likely have resulted in the property being developed into something other than a mobile home park, and in the process, displace 315 affordable housing units, a way of life and quite possibly create financial ruin for many if they were forced to move their homes.

When the smoke cleared, the only viable means that emerged to preserve Marin Valley MCC, was for the city to step in and become owners of the park, and in so doing, preserve a property and a senior community that was certain to change radically or disappear completely.

One could make the case that the original purpose of PAC, which was to purchase the park from the private owners, so that the final outcome would be: ***That the property would be preserved as mobile home park, that residents would not be displaced from their homes, and that rents would be kept stable***, was actually fulfilled in 1997 when the park was sold to the City of Novato.

In addressing the Delegation Agreement Renewal with PAC, my concerns do not include the competence of the PAC board in performing their "operation of the park" duties to the city. There has obviously been some competent, hard working and dedicated folks on these boards over the years.

However, in my opinion, competence should not be the full measure of review in considering whether or not to renew or to alter the contract with PAC.

I would like to suggest that there are other important things to look at as well. Please consider that many in the park judge PAC to be a special interest group with a focused single agenda of park ownership/transfer. In addition to park operator, PAC tries to act in the capacity a formal residents organization such as an HOA, but it does not succeed. PAC is not the *Residents* as such, it is a self-interested corporation that, in its current form does not represent the best interests of the park or the park residents-in my view.

I believe if the city is going to grant another opportunity to PAC to "operate" the park, that it should demand that PAC cease and desist all subversive political activity that is counter to performing its job as contractor to the owner. The residents would get great benefit out of such a directive as well, but only if it was followed and enforced.

Should the city choose to renew the contract with the PAC, I would hope that all of the following would be considered and addressed:

PAC should be required to: Cease and Desist all public and private political activity unrelated to its job as contractor to the city.

PAC should be required to: Cease all public and private support for MVSC, Inc.

PAC should be required to: Cease crony appointments to the PAC board: There needs to be a solution to this problem. Although legal, it is unethical-Robert's Rules of Order cites this as undemocratic and leading to tyranny (true on both counts)

Elections: Third party or city oversight is needed here. PAC and NFA elections should be conducted by a third party under the rules of the Davis -Stirling Act. All professional property managers run DSA elections for a fee.

Note: We have had only two non banana republic elections in the history of this park. One in 2008 with city locks and city clerk oversight, and the last PAC election which was tight thanks to the non-partisan election committee chair (who has since resigned)

Brown Act compliance: Oversight & enforcement provisions and consequences for failure to conform: Additionally, since PAC has never paid any attention to this requirement, it will not know that it extends to email, phone conferencing, twitter, faxing and the like, much less full board meetings at McDonalds.

Two or three year Delegation Agreement contract renewal duration: Every two-three years, the city and PAC would review contract performance and renegotiate, instead of every 13 years.

Term limits for PAC board members. Reinstate original bylaws concerning term limits of board members.

Summary minutes instead of action minutes: So that resident input is recorded in the legal record, and so residents will actually have a recognized voice.

Any changes that are instituted in the delegation agreement should be followed with enforcement provisions and ramifications with default consequences.

The city as owners of the park, have a moral (if not legal) responsibility to ensure that the tenants of their property are treated with dignity and fairness by a contractor they engage to operate the park, irregardless of the fact that said contractor maybe domiciled on the property, or that the board of that corporation is made up of people who happen to live in the park.

We all look to the city at this time to help heal this community.

Thank You
Jon Thomas



George East

9-14-10

Mr Jim Wong
75 Rowland Way #200
Novato, Ca 94949

Dear Mr. Wong:

I have lived in the
Park for over 22 years.

Many rumors have been
spread about the City
taken over property.

(OVER)



(2)

58

The latest remark was
made at our Candidates (PA
meeting, "NFA closes the
door on us". This was
not true, NFA, at the
Police Dept. meeting, said
we are taking a Century
off Period, for 2 years.

Robert

As for how I

PS There are more
points to make,
can't furnish
Post man is here

Eileen F. Cedrum
131 Marin Valley Drive
Novato, Ca. 94949-6715
1-415-883-9368

September 14, 2010

To: Novato Finance Authority
c/o Tim Wong
75 Rowland Way, Suite 200
Novato, Ca. 94945

Re: Delegation Agreement Renegotiations – 3

The following article appeared in the December, 2005 issue of the ECHO. “When the documents controlling PAC were written, they specified that transfer of title would be only to a non-profit, public benefit, 501c3 tax exempt corporation.” Is this true and the article correctly stated? Where and in which documents can the statement be found? It caused a great deal of consternation among residents then and continues thru today

Referring to the same date and issue of the ECHO, and reference to the Park, is it equally as true and correct that under MVSC’S Articles of Incorporation, which supposedly cannot be changed, “this property is irrevocably dedicated to the charitable purposes herein stated” in reference to benefits inuring to any Director. But what and how about inuring benefits from the sale or transfer of the property to a private or public corporation or entity, or to buy or sell real estate to provide housing for seniors? Can residents be protected from those/these activities by an amendment to a particular document?

Following are comments, questions and suggestions in my attempt at reading the legalese and interpreting the Delegation Agreement. I omitted reference to Articles where I had none and assumed Statement of Agreement and Preamble to be, more or less, standard verbiage.

Article I – Relationship of the Parties - Sec. 1.02 “the PAC is engaged solely in the capacity of an independent contractor” in its relationship to the owner, the State of California, etc. Can PAC be ordered by an amendment and made to clearly understand it cannot interfere in any way in the management of the Park or handling of Park management or maintenance personnel?

Article II – Definitions – Add and define the definition “*Resident*”. Delete all reference to word “tenant”.

Article III – The Project – Very confusing. Can you clarify and revise. How does PAC accomplish the logistics? Coaches are privately owned, bought and sold at random and at

no given or anticipated time known in advance they will be available and seldom are they moved. Land is leased by a rental agreement. How then does PAC set aside "a portion of the mobilehome sites for families of low or moderate income within the City of Novato"? PAC cannot purchase coaches in order to control and set aside a portion to make them available for low income families? Although, it is my understanding, that of the two double-wide coaches occupied by onsite maintenance personnel one is owned by the Park, the other by NFA.

Article IV – Term of Agreement – Can residents petition to replace PAC at this juncture? Will there be sufficient time for the formation of an entirely new mutual benefit or an as equally resident favorable, advantageous corporation? Will NFA/FSA be agreeable to financially assist residents in this endeavor? Would staff be able to submit advice during the formation? I recognize the restrictions of the Agreement, but one can but hope and try. We'll be watching renegotiations with interest to see what happens in the months ahead. The process should be enlightening beneficial and of interest to all.

Article V – Operation and Control of the Project – In my second letter (2) of September 12th, I outlined the need to replace Frei Real Estate Services with a company that could promise to provide a licensed, experienced, qualified and objective onsite property manager to administer and capably and efficiently manage every aspect of the Park. Though PAC under the Agreement is the party who selects the manager subject to approval by NFA/FSA, my request at this time is to allow someone more qualified, experienced and objective than the current PAC board to undertake the search, the evaluation and the determination. We've already experienced two failures – first Storz and now Frei. Though never made public, we were allowed to speculate the new Storz manager did not take kindly to cleaning bathrooms. You figure! Section 5.01 outlines what is required to remove a manager, but I doubt PAC will want or decide to take action. They enjoy the status quo. It gives them the opportunity to manage.

Article VII – Budget Approval and Expenditure Limitations – Budget for fiscal year July 1, 2010 has been submitted, plans for the new deck waiting approval from HCD and a request put in for no rent increases for calendar year January 1, 2011. My only comment, and perhaps one not popular with residents, is you assess the minimum increase and allow a cushion for an uncertain economic future.

Article VIII – Records, Reports and Audits – There seems to be some question here. No one appears sure if all are complete. Is anyone aware of what constitutes complete? Sections 8.02 thru 8.05, we can only wonder how close in past years NFA monitored this Article and its Sections or how conscientious PAC/Frei have been in adhering to the requirement. Should there be an audit? An effort was made just recently by a new resident to sort and put records into some semblance of order in the PAC office. It's amazing what the prospect of a "renegotiation" will do! It gets everyone's attention, keeps them on their toes, puts them on their best behavior and sends everyone hurrying and scurrying about to get all in order.

Article IX – Maintenance & Alterations to the Project – Management should explore the possibilities of alternate use of the lower floor of the Clubhouse instead of the current limited and negligent practice of use of the upper floor only. Isn't there some location sufficiently hidden where the storage sheds could be kept instead of in the wide-open space outside the Clubhouse?

I've already touched on seismic retrofitting of the Clubhouse, lack of wheel chair access to the lower floor and the urgent need for a sewer system in prior letters 1 and 2 and retaining walls have been scheduled and budgeted.

There are the trees and carports on resident properties all purveyed by the Park. Trees and carports should be regularly inspected, conditions noted and work or repairs scheduled. Trees should be kept trimmed and when necessary cut back or cut down. Carports require to be repaved when surfaces are deeply cracked and rutted. There are also hillsides that abut properties that could prove hazardous if not planted

Article XII – Indemnification and Insurance – I have yet to read either insurance coverage under the Loan and Management Agreements, but plan to do so as soon as possible. Staff has given us thru September 15th to submit our comments and I'm up against the deadline.

I understand there are two law suits, and perhaps a third, pending against the Park. I am not privy to all that goes on between management and resident. But I can say from experience, there has always been a sense of postponement, neglect and lack of direction from current management and onsite personnel. Rules and regulations are conceived as time demands or as dictated by the annual Civil Code. There is a lack of a sense of someone being in charge, if there is some one. Maintenance personnel are observed sitting behind desks in the office or driving around in trucks. They are inexperienced, unsupervised and accountable to no one. Residents are at a loss to what to expect of them. They do not respond to calls for assistance from residents. They either claim they cannot enter the residence or it's not a part of their job. What a cop out!

If we had qualified, experienced management and maintenance personnel onsite, if on purchase new residents were introduced to and carefully explained rules and regulations, the civil code, HCD rules, Resident Input and other in-house forms used, as well as other requirements at time of signing of rental agreements, if there was consistency throughout, and if residents were given written warnings with explanation of violation(s) by a competent individual perhaps some of what is negative in the Park could have been and could still be avoided. There is lack of respect, understanding and cooperation between residents, management and onsite personnel.

Real estate agents are equally to blame for not taking time to question, advice and inform prospective residents on the issues of rules and regulations, the civil code, HCD rules, etc as all apply to continued residency in the Park. The agent needs to make sure he is aware the new resident understands, before they sign and not after it's too late, what they could be in violation of and make known to the agent if there is a question of inability to

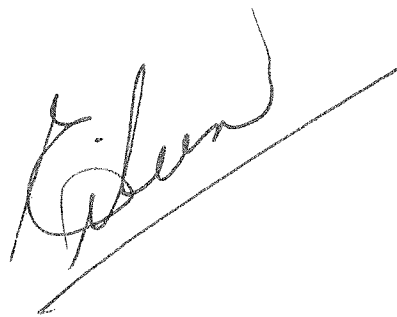
comply with one or another of the Park's rules and requirements. The office manager should require all new residents sign a consent form clearly stating all has been explained to them, that they understand, are in agreement, and will comply with all codes, rules and regulations as stated and outlined, a violation of which would subject them to ---. It might not be a bad idea to have the real estate agent co-sign at the same time.

Article XIII – Assignment – The last sentence in this Article caught my attention “A majority of the PAC’S board of directors shall consist of *tenants* of the Project.” PAC’S Board of directors consists of 5 members, which would require 3 residents only to form a majority. Does this mean that 2 of PAC’S directors can be other than residents? Could the board then have a retired attorney, an accountant, or financial advisor or any non-resident to serve without compensation as a director? Directors under the Agreement cannot receive compensation.

I am not sure if and how the last of the Articles and Sections impact residents personally if more than they do PAC generally. The untutored mind can absorb just so much legalese. If you feel residents need to be more aware or more understanding, in simple English, please.

I have been asked by a neighbor to be sure to make mention and request that term-limits be made part of the PAC’S Bylaws. Mention of term-limits was overlooked in a letter sent to you earlier.

Too bad we can't have “renegotiations” take place more often. You've never seen so much activity by management and maintenance personnel to administer and spruce up the Park as now goes on.

A handwritten signature in cursive script, appearing to read "Gibson", is written over a diagonal line that extends from the bottom left towards the top right.

Tim Wong

From: Ray Schneider [ray@delannaray.com]
Sent: Tuesday, September 14, 2010 7:04 PM
To: Tim Wong
Cc: Mike Holland
Subject: Marin Valley Delegation and Management Agreements

Tim:

Below are one addition each I would like to see to the Delegation Agreement and to the Management Agreement for Marin Valley when those agreements come up for renegotiation on October 1.

1> To the Delegation Agreement: "Regular monthly PAC meetings shall be taped on a cassette recorder/player. The tapes shall be retained for no less than nine [9] months after each monthly meeting."

2> To the Management Agreement: "Both the on-site Manager and the Assistant Manager shall take the Community Emergency Response Team [CERT] training course, or its equivalent, [currently] offered by the San Rafael Office of Emergency Services. Both managers need not take the course at the same time, and each shall be paid their normal hourly rate, or equivalent, for the hours spent in the course."

Thanks, Tim

Ray Schneider
23 View Ridge Drive, Novato
883-4182

cc: Mike Holland, President - PAC

Rec'd 9/15/10

Novato Finance Authority
C/O Tim Wong

My Complaints

1. Property Manager.....Our absentee Mr. Al Frei

He attended the first Delegation Meeting with NFA...".No show for the second"

2. Sewer System

I personally heard Pat Ecklund suggest that we should try to tie in with Hamilton while building was still in the early stage."Missed Opportunity"

Now we are left with an old obsolete sewer system. "Al Frei missed the boat"

Thanks NFA for listening!

Joan O'Hagan
122 Marin Valley Drive
Novato CA 94949

Carol-Joy Harris
5 View Ridge Drive
Novato, CA 94949

Novato Financing Authority
c/o Tim Wong, Housing Coordinator
75 Rowland Way, Suite 200
Novato, CA 94945

September 18, 2010

Dear Mr. Wong:

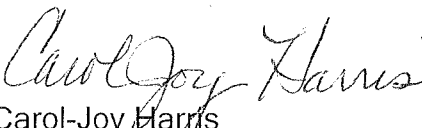
I am a resident of Marin Valley Mobile Country Club. I am writing in support of NFA continuing the delegation agreement which empowers the Park Acquisition Committee (PAC) Board to continue the day-to-day oversight of the park and its budget.

By any measure, the board has proven over the years that it is capable to handle the administration of the park. As residents themselves, they have the requisite knowledge of the details related to the issues at hand. This includes the physical structure of the park but more importantly, the personalities of the myriad individuals and factions within the park. The board's members are always accessible and forthcoming and are known for the transparency and fairness of their transactions, both in their formal meetings and in their multiple other duties.

Furthermore, there is every reason to believe that even as the board members change, the above will remain true. Because it is such a time-consuming volunteer activity, which by its nature is therefore a thankless task, one can assume that those who choose to so volunteer their time have altruistic rather than self-serving motives.

Thank you for your thoroughness in considering the wishes of the park's residents in what is certainly an important component of our future well-being.

Sincerely,


Carol-Joy Harris

Bill Davis
5 View Ridge Drive
Novato, CA 94949

Novato Financing Authority
c/o Tim Wong, Housing Coordinator
75 Rowland Way, Suite 200
Novato, CA 94945

September 19, 2010

Dear Mr. Wong:

I am writing you to strongly support the continuation of NFA's delegation agreement with the Marin Valley Mobile Country Club's Park Acquisition Committee (PAC). Please change nothing. It is working very well.

The PAC Board is elected by the park residents to oversee the day-to-day management of the park. They are known by us, meet with us monthly (all residents are invited to the meetings, which are open), and best represent our needs. They are available to hear our concerns -- and they do! -- on a daily basis, by phone or in person.

As a five-year resident of the park, I have unfortunately seen a number of board members resign before the end of their elected terms. This is usually not just because of the heavy workload but because after spending such an inordinate amount of time -- as a volunteer -- for the good of the park, any action taken is criticized in a manner that is often cruel, sneaky, and untruthful.

The problem is that, as you know, no one can please all the people all the time. However, there is a small but extremely noisy minority in our park who would somehow find a way to complain even if their rent were lowered by \$100 a month and their utilities were free. Do not be fooled; they may have volume but do not represent the majority.

The existing delegation agreement is the key to the proper management of the park. The PAC Board members, elected by us, are doing an outstanding job. Please let them continue to do the excellent work they have proven they can do.

Sincerely,



Bill Davis

Tim Wong

From: Peggy Hill [peggyhill358@yahoo.com]
Sent: Monday, September 20, 2010 10:57 AM
To: Tim Wong
Subject: NFA Delegation Agreement

Dear Members of the NFA:

I have lived in Marin Valley MCC for more than three years; I have participated and volunteered in many activities at MVMCC including coordinating PAC, NFA, And MVSC elections, collecting dues for the Home Owners League, and even being an appointed PAC Board member for four months.

In my three years of residence, I have been impressed by the efficiency and efficacy of the PAC Board and its ability to oversee MVMCC operations and budgets. The 1997 Delegation Agreement has been, overall, a great success. In reading the Delegation Agreement, I have found little to disagree with and other than some fine tuning, I would like to see the Delegation Agreement remain as is.

Also, I know that there are a few residents who are unhappy with the political structures at MVMCC; however, from my observation, most residents (who tend to be quiet and prefer not to be active participants) are quite happy with PAC and its relationship with NFA.

Sincerely yours,

Peggy Hill

106 Sunrise Lane

Novato, CA 94949

Eileen F. Cedrun
131 Marin Valley Drive
Novato, Ca. 94949-6715
1-415-883-9368

September 19, 2010

To: Novato Finance Authority
c/o Tim Wong
75 Rowland Way
Novato, Ca. 94945

Re: Delegation Agreement Renegotiations – 4

Thank you for the extension of the process period to Friday, September 24th with advice you have rescheduled NFA meeting to Wednesday, October 13, 2010, 6:30 P.M., MVMCC Ballroom.

Your letter also stated comments or suggestions about either the Delegation or Management Agreements had to be submitted by Monday, September 20th. All rescheduling and changes have been duly noted.

Regardless of the outcome of the renegotiations, inexorably lost to too many a resident is the cherished idyllic way of life they once enjoyed and may never reclaim.

Novato Finance Authority should cancel its current contract with the absentee Frei Real Estate Services and negotiate a new one with a company within the Bay Area or its immediate surroundings. A company with onsite management and accountability practices, with well established job descriptions and operating procedures for maintenance personnel, an operating manual for the Park in general and a verifiable record of past management history and success.

Do we today require as many in-house organizations as under the Doughertys and Sades. **NO.** Park Acquisition Corporation (PAC) is outdated. It's obsolete. It should be dispensed with and a new organization with new Articles and better Bylaws formed. There may have been a need for Homeowners League (HOL) at one time, but no longer. HOL can be absorbed by the new organization. What of Park Improvement (PI)? It can list under the jurisdiction of the new onsite property manager as part of maintenance. I have attached a suggested rough sample of an organization chart.

Mar-Val will continue to exist as the venue for planning and staging social events, as well as act as the social arm to welcome new residents. There will be a need for one member of the new organization to be designated as liaison to introduce new residents to the history, operations and documents of the Park and to introduce them, as well, to the rules and regulations, the civic code, HCD permits and all other sundry requirements. The

individual must be a person a new resident can be confident enough to call and be assured to receive a correct answer or explanation.

The ECHO will be adequately funded and continue to appear monthly. It will be independent of management, have its own editor and staff and, as in the case of Mar-Val and the liaison designee, be under the jurisdiction of the new organization for budgeting and minor over-site only.

NFA, Management, Mar-Val, the new organization, the liaison designee and Park Improvement will submit monthly articles to the ECHO so all residents may read and be aware of what is taking place or efforts being made or whatever on their behalf. There is to be complete and open communication among all.

Questions and Suggestions:.

Adhere to the Brown Act. Complete Accountability on the part of everyone.

Communications between management and residents, et al always in writing citing chapter and verse as reference to avoid relying on you said I said

No hiring of inexperienced, unlicensed, unqualified personnel

Hours and work schedules and all licenses posted and clearly visible in clubhouse.

Lunch hours of personnel to be staggered allowing for 2 in office at all times

Expensive trucks to be dispensed with and either cheaper, environmentally friendly electric or propane utility vehicles employed – check Los Robles for info and confirmation – utility carts can travel uphill – tools and all.

Daily work sheets given-out, assigned, completed showing hours and listing materials used, signed and returned to management at the end of each day.

Routine maintenance schedules assigned and maintained.

Article VI of the Loan Agreement – Section 6.06 Insurance. The owner agrees to insure the Project as follows:

“(b) comprehensive general liability insurance on an “occurrence basis” against claims for bodily injury, death, or property damage occurring on or about the Project or on or in the streets adjoining the same, to afford protection in a “single limit” of not less than \$8,000,000 in the event of bodily and personal injury to or death of any number of persons or of damage to property arising out of one occurrence;”

Why then did a maintenance person send the following to a resident, “My concern is park management is allowing a resident to hire outside labor to work on another residents lot

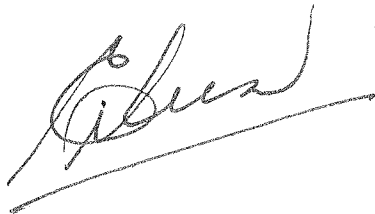
and adjacent common area in the park without the necessary insurance naming "MVMCC" and Frei Real Estate Services as additional insureds." As clarification there was no work being done on another resident's lot and the practice of maintaining the common area in question had been going on for years without interference, at the resident's own expense and with help from a hired employee. So! Why now?

Please clarify if residents are now required and will be expected to take out additional insurance policies naming "MVMCC" and Frei Real Estate Services as additional insureds" in the off chance they may one day find themselves and their "outside hired labor" maintaining and improving neglected common areas at resident expense. Is this to apply to gardeners such as Tojos hired to maintain the common areas around pool and clubhouse? How about all the other outside gardeners who park their trucks and equipment on Park streets and such other Park property? Are they to carry additional insurance policies naming MVMCC and Frei Real Estate Services as beneficiaries? Ridiculous!

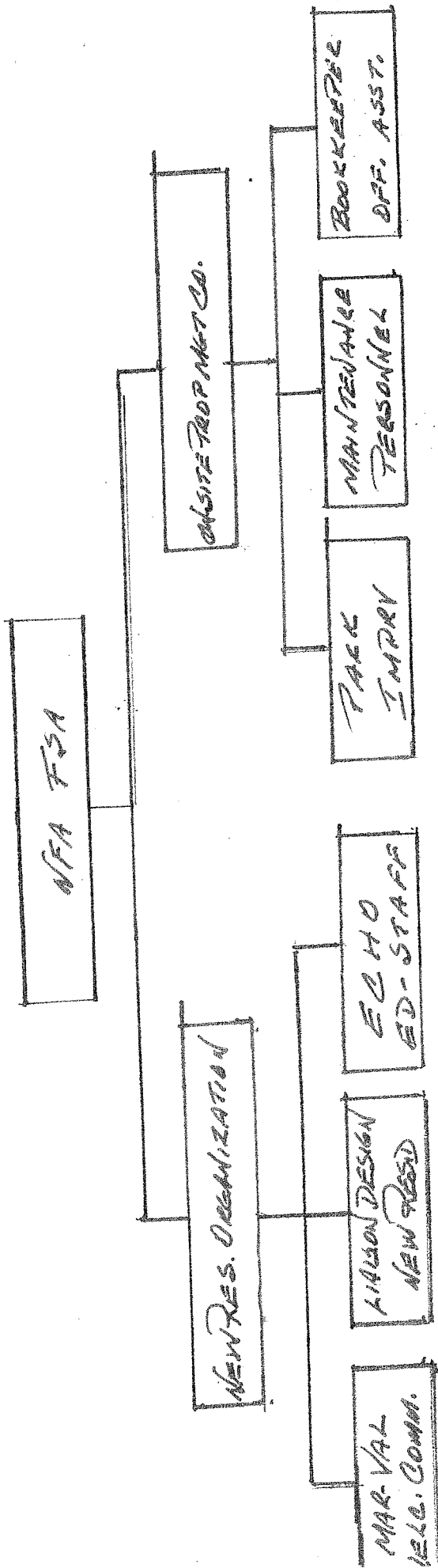
An announcement of this kind needs to go out to all residents and gardeners so none are caught without proper policies and coverage.

You might want to instruct management who allowed an employee to carve out an additional parking space for himself in the common area between his coach and that of the neighboring one to restore the area to its earlier condition. Why the employee was allowed to dig up the area for his own accommodation when he has a perfectly good two-car carport and but one car boggles the mind. Especially in view of warnings they give residents who park in wide available areas in the streets. Why can't personnel park in parking lots for which they do not have to pay and residents do?

Petty, may be. But you have only to live here to realize how lacking in management the Park suffers and what little is done to maintain it and its environment. You can set your watches and your clocks by the arrival and departure times of personnel arriving and leaving to and from work.

A handwritten signature in black ink, appearing to read "Tibben", with a horizontal line underneath it.

ROUGH SAMPLE ORGANIZATION CHART



Cathy Capriola

From: Tim Wong
Sent: Monday, September 20, 2010 10:48 AM
To: Deborah Lauchner; Cathy Capriola; Deborah Lauchner
Subject: FW: Delegation Agreement

Additional comment from Ray Schneider

-----Original Message-----

From: Ray Schneider [mailto:ray@delannaray.com]
Sent: Friday, September 17, 2010 2:39 PM
To: Tim Wong
Subject: Delegation Agreement

Tim:

One more suggested addition to the Delegation Agreement being renegotiated with Marin Valley.

This has to do with vacancies on the PAC Board, and would be phrased:

"Vacancies on the PAC Board that are to be filled by appointment, shall be filled by a Resident who has run for the PAC Board in the past but who was not elected. If all previous non-elected candidates for PAC refuse the appointment, then any Resident will be eligible for appointment."

This is more appropriate for the PAC Bylaws, but on the assumption that additions to the Bylaws are also suitable for the renegotiation of the Delegation Agreement, the above is submitted.

Thanks, Tim

Ray Schneider
883-4182

Tim Wong

From: Kathryn Mudie [theryn330@comcast.net]
Sent: Thursday, September 23, 2010 10:07 AM
To: Tim Wong; Cathy Capriola
Subject: Submitting a Suggestion to the DELEGATION AGREEMENT and the MAINTENANCE AGREEMENT between NFA & MVMCC

09.16.2010

Dear Members of the Novato Financing Authority:

I am submitting a comment that I would like to enter into the Delegation Agreement and the Maintenance Agreement. It involves the community's response to EMERGENCIES. I voluntarily serve on what is called "MVEST" (Marin Valley Emergency Safety Team). There are approximately five solid members on our team. Our goal is to educate the residents on how to prepare for an emergency and how our community can provide for emergencies.

My suggestion is as follows:

I would like Al Frei Real Estate to send his employees (Office Manager, Park Manager, Park Assistant Manager aka Jane Boyd, Mark Pierce and Greg Pierce and PAC Board Members (Mike Holland, Mike Read, Jim Olson, Ed Johnson) to attend a CERT class within Novato or San Rafael (7 week course) learning the basics of Emergency Preparedness. If that means Al Frei needs to pay his employees for overtime, then that will be done. The CERT class in September 2010 has cost \$40.00 per member. Also each of these people will attend a CPR/AED class put on by the Novato Fire Department or an approved licensed organization. These CPR/AED courses are to be renewed every two years. All members of MVEST shall also attend the CERT class as well as CPR/AED Class. The tuition will be paid by their respective group (Al Frei Real Estate, PAC or MVEST).

This will aid MVMCC in becoming Emergency Prepared. As we all learn, so will our acquaintances, friends, family members and lives MAY BE saved.

MARIN VALLEY EMERGENCY SAFETY TEAM

" MVEST"

KATHRYN MUDIE

123 Sunrise Lane

Novato, CA 94949

CELL: 415.517.8353

FAX: 415.234.6183

theryn330@comcast.net

*"IT TAKES AS MUCH ENERGY TO WISH
AS IT DOES TO PLAN."*

.....Eleanor Roosevelt

September 23, 2010

To:
Novato Finance Authority
c/o Tim Wong, Housing Coordinator
75 Rowland Way, suite 200
Novato CA 94945
Email: twong@cityofnovato.org

Re: Delegation and maintenance agreement

I feel that we the residents are ready for a change. Since 2004 when I moved here there has been quite a bit of commotion about transferring the Park to the residents. Although I whole hardly support a transfer preferably to full individual ownership as in a condominium structure I am disgusted with the lost revenue in creating the MVSC Corporation and the infighting that has created a divided community.

All this has occurred under the current PAC structure. The PAC has allowed appointments of cronies that then run as incumbents' thus perpetuating a manner of control by a few individuals.

When I moved into the Park in August of 2004 the earth behind my home had already buckled a corner of the home. Then came the rainy season, water was running under the home all around the home flooding my front entrance. After waiting for a year for park maintenance to correct the problems I spent thousands of dollars and hundreds of hours of my own labor to minimize further damage to my home. As of today, a small retaining wall where "park property" floods next to my house still needs replacing and my caldesac still needs repaveing. The same month I moved in I placed a retaining wall installation claim with the then PAC board, as of today I am still waiting for action on that request.

The story above is an example of what has gone on for years. Other residents have expressed to me the same experiences. I haven't checked records but I am sure PAC board members don't have the same experiences to tell.

The other point of discontent among the residents is the cost of repairs and maintenance to the clubhouse. When I ran for both PAC and MVSC boards my platform mainly focused on infrastructure repairs and maintenance. The clubhouse is our next biggest Capitol asset second only to the land. The PAC through many boards seems to think its ok to spend lots of money on improvements or modernization of the clubhouse. While this is good PR for the board members it does nothing to help individual residents who need small repairs to electrical pedestals, GAS meter securing, water drainage and small retaining wall repairs. During last years Thanksgiving festivities, the sewer pump station failed for more then half the day the Park was engulfed in what I could only describe as the stench from HELL. Upgrading or replacing that bit of infrastructure seems to me a better investment then double pane windows for a clubhouse that is hardly used by 1/3 of the residents. Closer to me my eighty something neighbor, a 30 year resident, had complained for years about flooding in her driveway, last year they repaved it.

There have been significant improvements throughout the Park, residents find out when their told at the last minuet to not park in their drive ways or we see or hear work being done on common areas.

A big complaint by many residents and myself is we don't get a good sense that our requests or needs are being addressed or passed on to Al Frie the maintenance company. The resident maintenance persons seem to listen to our request but sometimes one wonders if they've taken you seriously and are really going to take action. I understand these employees of Al Frei are following company policy.

In General the delegation agreement allows the PAC to be too self-serving. In other words the PAC says look at us we're so good, look at us and keep us around. Though on an individual resident level PARK residents say why is there so much mistrust and division among the residents and why does the PAC seem to be the center of gravity for all the problems.

In my opinion the City of Novato could run the park without the PAC. The existing HOL board can replace the PAC to administer the ongoing Park functions and maintenance scheduling. With the ongoing approval of a couple of City staff persons already linked to NFA and its workings, major cost projects such as replacing or augmenting the current sewer pump system could be implemented. We have a new office Secretary Jane Boyd who already handles the rent collections and office administration. I believe this would be a good time to facilitate new duties of the office secretary to strengthen the Link to NFA and provide regular reporting to City staff connected to NFA. This will provide a very solid line of communications and control of the Park administration by the City of Novato. Thus eliminating the need for the PAC. The MarVal board could be used to support the secretary and the HOL board through their EHCO newsletter to keep residents up to date on current Park status and HOL pending actions. Donations are already collected by the HOL that could be applied to ongoing reporting cost. Needless to say the MVSC Corporation should cease to exist also. Many residents I have spoken too distrust the PAC and MVSC and would prefer direct city control, as would I. The PAC, Park Acquisition Corporation serves no purpose other than creating animosity and discontent in the Park. The notion that the PAC is in charge of pursuing an action to transfer or buy the Park gives PAC board members a sense of undeserved power and Authority! Thus to the Transfer of the Park.

Park Transfer

For what it's worth regarding the transfer of the Park, I would prefer a direct purchase option to the Individual residents in the form of a condominium conversion. The Purchase would be by means of bank loans to individuals guaranteed by the city. At current interest rates, loan payments could be established at what a resident is already paying in rent.

The proceeds from the loans would be used to pay off the Senior Bonds. As compensation for any additional property value the City may want in consideration for the transfer I would recommend that the City retain ownership of the Club House as a Public City building for the combined use of the City and the Park residents. The City would be responsible for all costs and expenses and establish a Lease agreement with the Park entity established by the residents, preferably condominium entity, to lease back the clubhouse for Park uses.

Real Estate parcel assessments would have to be established at a basis where individual combined mortgage payments and real estate taxes would not exceed the current rent residents are paying for their Home site.

Respectfully;

Joseph DeAvila
196 Marin Valley Drive.
Novato CA 94949
415 884 2599

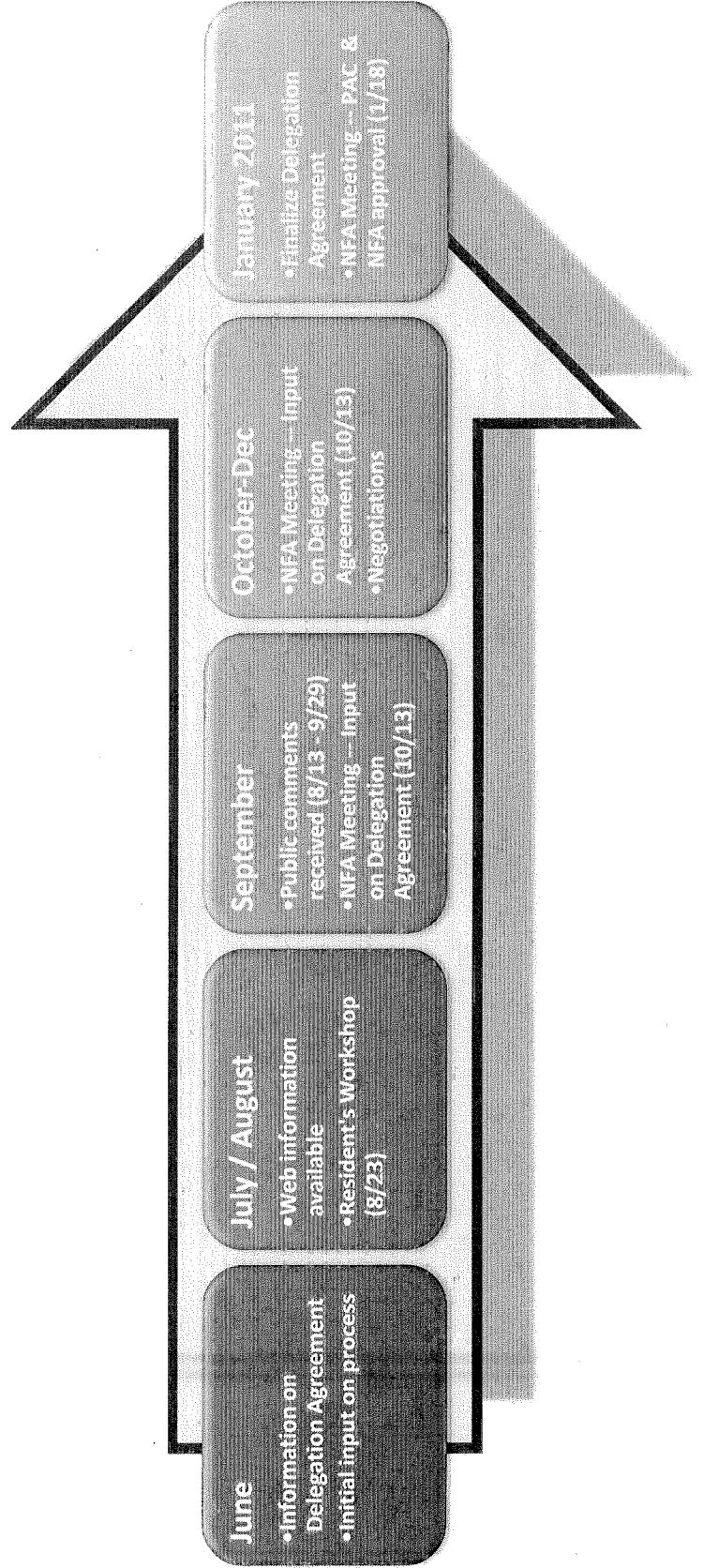
ATTACHMENT F

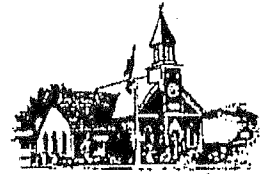
Process Flowchart

UPDATED -- 2010 Process & Timeline

Renegotiation of Delegation Agreement between Novato Financing Authority and PAC

Date	Action / Event
June 21	NFA Regular Meeting -- Provide overview of information on the Delegation Agreement and gain initial input on process for renegotiation
August 23	NFA Special Meeting -- Hold workshop for resident input; 6:30 P.M.
August 13 – September 29	Public Input – Opportunity for public comments regarding the Delegation Agreement and Maintenance Agreement; submit to NFA staff by Wednesday, September 15.
October 1	Window opens for negotiations between NFA and PAC.
October 13	NFA Regular meeting – NFA Board to provide direction to staff regarding negotiation of the Delegation Agreement. Determine Ad-Hoc committee members – Chair plus one other.
October 1	Window opens for negotiations between NFA and PAC.
January 18 (Tentative)	NFA Regular meeting – Action on the Delegation Agreement
January 31	Deadline for a Delegation Agreement to be completed.





MEMORANDUM

DATE: October 13, 2010
 TO: Novato Financing Authority Board of Directors
 FROM: Deborah Lauchner, Finance Manager
 SUBJECT: **Bucket Analysis for the Month of June 2010**

Attached is a copy of the Bucket Analysis Report for the period ending June 30, 2010. According to the analysis, the Cash Trap balances are as follows:

Senior Cash Trap balance **\$ 908,569**

The purpose of this analysis is to determine available amounts in the cash trap fund. The analysis is used to determine how much of the actual funds are needed to fund each bucket. The remaining funds are distributed to each cash trap.

The outstanding bond debt as of June 30, 2010 is as follows:

Senior Revenue Bonds Outstanding **\$10,760,000**

Novato Financing Authority
 Marin Valley Mobile Country Club "Bucket" Analysis
 Through 6/30/2010

Bucket No.	Description	US Bank No.	Required Balance	US Bank Balance	Due To (From) Cash Trap	Adjusted Balance
	Revenue Fund	95436060	0	0	0	0
1	Senior Bond Interest	6061	155,998	173,308	17,310	155,998
2	Senior Bonds Principal	6062	243,750	255,775	12,025	243,750
3	Senior Debt Service Reserve	6065	1,000,000	1,000,000	0	1,000,000
4	Utility Account	6077	41,173	99,818	58,645	41,173
5	Replacement Reserve Fund-Capital Plan	6064	490,637	477,791	(12,846)	490,637
6	Escrow (Insurance) Fund (Reserve costs)	6063	18,643	18,643	0	18,643
7,8	Expense Fund	6066	7,723	21,223	13,500	7,723
9	First Trust Expenses					0
10	FSA Expenses					0
11	Property Manager Account	6072	0	0	0	0
12	Operating Expenses	6078	127,446	193,034	65,587	127,446
13	Arbitrage Rebate Account	6068	7,500	0	(7,500)	7,500
14	Subordinate Bonds Interest	6051	0	0	0	0
15	Subordinate Bonds Principal	6052	0	0	0	0
16	Subordinate Debt Service Reserve	6054	0	0	0	0
17	Subordinate Pledged Fund Account	6055	0	0	0	0
18	Redevelopment Agency Pledge Payments					
19	In Lieu of Tax-City of Novato	6059	0	0	0	0
20	Debt Service-Owner Obligations					
	Deferred Costs Fund-Owner Account	6073	0	0	0	0
	Deferred Costs Fund-Consultant Account	6074	0	12	12	0
	PAC Expense Account	6075	4,000	3,490	(510)	4,000
	Owner's Expense Account	6076	20,000	18,754	(1,246)	20,000
	Subtotal required Balances		2,116,871		144,978	
21	Senior Cash Trap	6067	1,057,058	910,325	(146,734)	
22	Subordinate Cash Trap	6056	0			
	Total Cash Trap Balances			910,325	(1,756)	908,569
	TOTAL CASH HELD BY TRUSTEE	6/30/2010		3,172,173		

Debt as of June 30, 2010

Senior Loan principal outstanding is \$ 10,760,000
 Subordinate Loan principal outstanding is \$ 0

Novato Financing Authority
 Marin Valley Mobile Country Club "Bucket" Analysis
 Through 6/30/2010

1. Senior Cash Trap Balance

904,350	Prior month's balance
(1,756)	Trustee allocation June
5,974	Distribution at 06/30/10
<u>908,569</u>	Balance

2.) Subordinate Cash Trap Balance

0	Prior Month's Balance
-	Trustee allocation June
0	Distribution at 6/30/2010
<u>-</u>	Balance

Amount available for Distribution to Cash traps
 One half to Senior Cash Trap, and one half to bucket requirements
 for Owners, PAC & CGLFA and remaining to subordinate cash trap.

-\$1,756
 1,756 due from Subordinate Cash Trap

Eileen F. Cedrun
131 Marin Valley Drive
Novato, Ca. 94949-6715
1-415-883-9368

October 6, 2010

To: Novato Finance Authority
c/o Tim Wong
75 Rowland Way, Suite 200
Novato, Ca. 94945

Re: Delegation Agreement Negotiations – 5

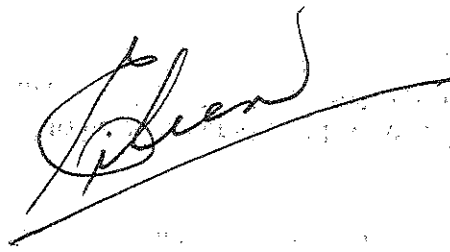
The attached is self-explanatory. Please note lack of property manager's signature and specific space reference. Space Rent 2011 many residents can assume has reference to year 2011, but not all residents may assume so. Does lack of a signature make the notice any less valid?

Is notice of "a no rent increase" to be considered of a less legal importance, therefore requiring no-one's signature, than "notice of an increase" carrying the property manager's signature? Shouldn't they both be considered of equal legal importance?

If residents are ever to receive title and manage the Park, residents need to learn the legalities of documents with which they will be dealing and strive for uniformity and consistency as good management practice.

Keep in mind residents range in age from the eligibility age of 55-years to some in their mid-nineties (90's). There are those in the latter group with families who care and look after them and, then, there are those with disabilities with no one other than themselves

The Park is currently having to address the sensitive problem of a resident in this latter group and is choosing to ignore it for now, leaving it to friends and pastor to deal with due to the legalities involved. .

A handwritten signature in black ink, appearing to read "Eileen", is written over a horizontal line. The signature is fluid and cursive.

MARIN VALLEY MOBILE COUNTRY CLUB

8340 AUBURN BOULEVARD, SUITE 100, CITRUS HEIGHTS CA 95610

(916) 722-8110 FAX (916) 722-8111

DATE: September 28, 2010
TO: All Residents of Marin Valley Mobile Country Club
FROM: Al Frei
RE: Space Rent 2011

Park Acquisition Corporation (PAC) and Novato Financing Authority (NFA) passed the 2010-2011 operating budget with no increase in space rent. Therefore, your space rent will not be increasing on January 1, 2011.

Novato Financing Authority
c/o Tim Wong, Housing Coordinator
75 Rowland Way, Suite 200
Novato, CA 94945

Dear Mr. Wong

The following is a recommendation to the NFA and the Marin Valley Park Management.

The Problem:

The method for determining individual park residents rent increases is inequitable. Rent for similar lots are greatly different. Rent for my view lot is \$835 while rent for a view lot next door is \$676.

When the Park was taken over in 1997 by the NFA and PAC, rents were partially inequitable because of the previous owner's practice of raising rent when the home was sold. This resulted in the new owner (me in 2002) paying higher rent for my lot than my neighbor. That was acceptable to me at that time because I wanted the lot. However, since that time rent increases have been made based on a percentage placed on each resident's current rent, rather than equal increases per lot. This has caused wider rent inequity and unfair competition between sellers. The inequity of rents will become far worse should we have several years of inflation. That will make it much harder for me to pay my rent and for my heirs to sell my home in competition with other residents who have benefited by the way rent increases have been made.

If rents were equitable in 1997 the use of a percentage for rent increases on each of us would have been fine, but they were not equitable in 1997.

Hypothetical example: Lot A rent in 1997 was \$530 and Lot B rent was \$650 and rent increases were at 2% a year on each lot since 1997, Lot A would now rent for \$686 and Lot B for \$ 841. One resident's rent went up \$191 while the other resident's rent went up \$156. A difference of \$35 per month or \$420 per year for same type lots. This additional inequity was caused by raising the rent by a percentage. If rent increases were in total for the park and allotted in the same amount for each lot every year rent increases for Lot A and Lot B would have been the same. That would be more equitable. Not equal but closer. As far as I know it doesn't cost the park anymore for my lot than any other. However, if that is a problem PAC should determine the value of each lot or type of lot and go from there. Rent equity should have been a goal from the start.

Recommendation :

The park total rent increases be allotted equally on each lot each year , not applying a percentage on each current lot rent. Also rent caps should be placed on any lots with super high rents. If something is not done there will be a much larger inequity in the coming years.

At least instruct the park management to analyze or survey the residents rent payments to see the extent of rent inequities and make recommendations.



William Humes
12 View Ridge Drive
Novato CA