

**CITY COUNCIL MEETING**  
to be held at  
**MARIN VALLEY MOBILE COUNTRY CLUB**  
**100 MARIN VALLEY DRIVE**  
**FRIDAY, OCTOBER 28, 2011**  
**9:00 AM**

**(DISCUSS ITEMS RELATED TO MARIN VALLEY MOBILE COUNTRY CLUB)**



**THE CITY OF**  
**NOVATO**  
**CALIFORNIA**

- A. CALL TO ORDER**
- B. APPROVAL OF FINAL AGENDA**
- C. PUBLIC COMMENT**
- D. CONSENT CALENDAR**  
D-1 Draft Minutes from June 6, 2011 meeting (Minutes attached)
- E. REGULAR CALENDAR**  
E-1 2.92% Consumer Price Index Percentage Change for Calendar Year 2011;  
No Impact due to Prior Council Decision for No Rent Increase for 2012.  
(Verbal Report - Attachment)  
E-2 Status Update on Property Condition Survey for MVMCC (Verbal Report)  
E-3 MVMCC in City's Wide Area Rapid Notification Phone System for  
Emergency Communications and Notice (Verbal Report)  
E-4 Update on Negotiations of Delegation Agreement and Management Agreement (Verbal  
Report)
- F. GENERAL BUSINESS**  
F-1 Bucket Analysis for Period Ending September 30, 2011 (Staff Report)  
F-2 Park Management Update: Al Frei  
F-3 PAC Update: Michael Holland
- G. BOARD/STAFF COMMENTS**  
G-1: Determine next meeting dates for Delegation Agreement Negotiations  
Regular meetings – January 2012 / May 2012 / October 2012
- H. ADJOURNMENT**

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Novato, CA 94945-3232  
415/899-8900  
FAX 415/899-8213  
[www.cityofnovato.org](http://www.cityofnovato.org)

Mayor  
Madeline Kellner  
Mayor Pro Tem  
Denise Athas  
Councilmembers  
Carole Dillon-Knutson  
Pat Eklund  
Jeanne MacLeamy

City Manager  
Michael S. Frank

A copy of the Agenda packet may be viewed at the MVMCC front counter and is available on-line at the City's web site at [www.novato.org](http://www.novato.org).

**AFFIDAVIT OF POSTING**

I, Vickie Gerber, certify that on October 21, 2011, caused to be posted the agenda of the October 28, 2011 meeting of the City Council of the City of Novato, California, on the City Community Service Board in the Police Department and on the City's website at [www.cityofnovato.org](http://www.cityofnovato.org).

/Vickie Gerber/

Vickie Gerber, Deputy City Clerk

## MINUTES

**CITY COUNCIL MEETING  
MARIN VALLEY MOBILE COUNTRY CLUB  
100 MARIN VALLEY DRIVE  
MONDAY, JUNE 6, 2011  
6:00 PM**

**A. CALL TO ORDER (6:03 p.m.)**

Introductions were completed.

An update was provided regarding the transfer of ownership from the Novato Financing Authority (NFA) to the City of Novato due to the elimination of redevelopment by the State of California. The City sent out update letters to all residents regarding this proposed action in March. With the transfer of the NFA property (including MVMCC) to the City, the final outcome is that the NFA still exists, but has no assets. The City is now the formal owner of the MVMCC with all responsibilities. The City Council now sits in place of the NFA Board as the policy board. Future meetings will be held at MVMCC and those City Council agendas will focus on Park business only. Residents are encouraged to sign up for the City's E-Notification emails at [www.novato.org](http://www.novato.org).

**B. APPROVAL OF FINAL AGENDA**

Councilmember Dillon-Knutson moved, seconded by Councilmember Eklund, to approve the agenda. The motion carried 5-0.

**C. PUBLIC COMMENT**

Rick Oltman – Disturbed to learn that transfer fees to Assured Guarantee is to be paid by Park. Residents have already paid over \$20 million. MVMCC is an asset like other City assets. Why are 400 residents shouldering the burden of the park for a City asset? All residents should share the expense.

Jack Brandon – Rare opportunity to differentiate between politician and statesman. Young people and elderly most affected. Taking advantage of the elderly. Like police, to serve and protect. To defend the people that live in the community. Opportunity for long lasting decision.

Michael Read – Park wants to own themselves. Who pays for expenses? Transfer of title to PAC. Bank of Sonoma loan is possible. Possible financing scenarios. With bonds paid off from bank loan, can lower rents.

Dave Harrington – Put as much effort into working with residents to achieve transfer as with other Park issues. Opportunity to work with residents to control the park. Looking for a sincere honest effort to work with residents on transfer/original goal.

Ed Johnson – Questions on Assured Guarantee's refinancing. If not move ahead, if not refinance will Assured Guarantee come after Park for additional fees?

Ann Grunwald – Biggest thing is our house secure? Underlying sense of uncertainty and fear due to ownership questions. No straight answer. Why? Can work with you better with interests.

**D. CONSENT CALENDAR**

**D-1 Draft Minutes from January 25, 2011 meeting (Staff Report)**

On the Agenda for Council and resident review as an informational item only. The NFA Board will need to approve them sometime in the future.

**E. REGULAR CALENDAR**

**E-1 Update on Transfer of MVMCC from NFA to City of Novato to Protect from Potential Elimination of Redevelopment Agencies (Staff Report)**

Cathy Capriola provided an overview of this item. In order to transfer the Park from the NFA to the City, Assured Guarantee's consent was needed per the bond documents. Assured Guarantee required a \$50,000 Consent Fee and a refinancing of the bonds in 18 months from the purchase or an additional fee of \$150,000. If the bonds are refinanced, then Assured Guarantee receives all of their remaining premiums up front which is estimated to be approximately \$400,000. If the City does request something else requiring support from Assured Guarantee, there could be additional fees in the future but this is unknown.

The question of refinancing will need to be reviewed in early 2012. This will be the next project after the Delegation Agreement is completed.

Councilmember Athas asked a variety of questions that were responded to by staff.

- Is there a better rate out there for the refinance to recapture the fees at some point? Staff is not prepared to answer at this point. It could still be cheaper to refinance.
- Was there language in the documents for this situation? Costs certainly. Ability to anticipate there would be a charge, yes. In terms of the "consent fee", Assured Guarantee can charge a reasonable fee which was entitled through the documents. If we declined to pay the fee, then Assured Guarantee would have declined their consent. Staff is continuing to discuss the refinancing issue with Assured Guarantee.

Councilmember Ekiund stated that we have paid \$217,000 to Assured Guarantee -- \$67,000 so far (\$50K Consent Fee plus \$17K in legal fees) and we aren't sure about the other \$150,000 in 18 months. Attorney Nebb stated that this is correct.

Public Comment

Michael Holland - PAC learned of Assured Guarantee conditions on Monday morning. Knew of fees but did not know where authority where it came. Resident found consent and transfer fee information in documents. Believes there is no authorization for the \$150,000. We did not know that staff had already approved the fee, that was a surprise. Are we challenging authority of staff and Assured Guarantee? Refinancing may or may not be a good thing, but need to start discussing earlier than 2012.

Michael Read - HOL started PAC in 1986. PAC went to get City funding, because not secure financing. NFA decided that 501c3 was not appropriate, resident owned. Recommends another transfer option of resident owned through PAC. Staff can focus energy elsewhere.

Rick Oltman - Doesn't matter what has been paid, but who paid. Good to hear about refinance. Bank of Marin was ready to loan to pay for bonds. Two assessments have been done. Do not want to see refinance unless the residents hold title. So no Assured Guarantee blackmail. PAC can veto any transfer of the bond. Only protection is PAC's veto.

Adele Waller - Confused about Assured Guarantee. At what point did we not have a FSA? When did that transaction happen? Thought the NFA board was dissolved?

Cathy Capriola responded to the questions. Assured Guarantee purchased FSA about two years ago. NFA Board exists on paper but no entity to govern.

Roberta Uhrqhart – Happy to be with the City. 20 year resident. Change PAC rules for the individuals, not people.

Ray Schneider - \$150,000 authority. Was that quid pro quo? Could not find specific authority in bond documents.

Patrick Quigley – The Pub. Have a new accessible PAC board. Utmost confidence. Same old thing 4-5 years turmoil.

Jim Hiraish - Served in the purchase. What would happen if bonds paid off? Would you be willing to transfer to PAC? We can do it in 30 days.

Staff responded to questions. Staff did push back with Assured Guarantee arguing that \$50,000 Consent Fee was too large and not appropriate. But short timeline, and no choice to transfer. Assured Guarantee would not give consent for transfer without fee. The bond documents do not have requirement for \$150,000 or refinance, however staff recommended to NFA and the City Council since there was no choice. Came down to a business decision and risk analysis. Have not yet paid, but have assured to pay.

Michael Holland -- Negotiable item for refinance fee because Assured Guarantee wants to get out. There is a \$400,000 stream they should consider.

Council Comments and Action: Council made a variety of comments. General agreement that there was no choice and that the fees needed to be paid in order to protect the park. Want to look carefully at the refinancing in 2012. Also asked staff to explore any ability to continue to negotiate any of the fees.

## **E-2 Clarification on Debt Service Coverage Ratio Formula (Staff Report)**

Staff explained the key points outlined in the staff report where a supposed trigger event had occurred due to the Debt Service Ratio falling below 1.2 which would have allowed Assured Guarantee to call some of the bonds with funding from the Senior Cash Trap. The trigger event did not actually occur since there was an error in the calculation. Assured Guarantee has wanted to raise the rent because of the trigger event. After being provided with the correct information, Assured Guarantee was convinced that the park's overall financial health is fine.

Councilmember MacLeamy stated that perhaps this is an opportunity to put more funding into the capital budget as the Debt Service Coverage Ratio (DSCR) is higher. This is a balancing act between capital funding and future debt payments. Has previously maintained a higher DSCR so 501c3 would assume bonds under project documents.

Councilmember Eklund asked a series of questions.

- Do we look at Debt Service Ratio before funds are expended? Do not want to have a trigger event – how do we manage proactively? Staff responded that most of the monthly and annual expenses are flat but some utilities are more variable. Staff will manage on the front end. Will be looking at the budget and looking for possible flexibility for PAC/AF monthly adjustments. Capital budget transfers are one of the key variable items that could be adjusted for different monthly amounts to help maintain the proper DSCR.
- Does AF look at the monthly budget not to get below 1.2. Yes

## Public Comment

Jim Hirais – Recall a major electrical failure. Notes show FSA waived 1.2 Debt Service Ratio. Why are we dealing with that? Staff responded that there were not sufficient funds at that time and request waiver and spent cash trap. FSA provided a one-time consent, but FSA made clear that this was a one-time waiver only.

Jan Thomas – Rent increases. Will we no longer have the rental cap with NFA? Staff Member Nebb stated that there are two components – (1) project documents require 75% of CPI increase and (2) 100% CPI cap increase through Mobile Home ordinance.

No action taken by Council, informational item only.

### **E-3 Review and Approval of 2011-2012 Budget and Capital Plan (Staff Report)**

Staff Member Capriola gave an introduction. Budget was prepared by PAC and Al Frei. Some changes were recommended by staff due to the Debt Service Ratio. The Council needed to take action at this meeting. The year's budget suspended the rent increase. Next year, Assured Guarantee has stated that they would not approve another rent suspension. There were other minor adjustments by Assured Guarantee which included eliminating research ownership and eliminating the increase in the management fee. Staff recommended increasing capital funds by \$100k. This was an annual budget, not monthly, to give some flexibility for adjustments. Michael Holland and Al Frei spoke of the capital budget.

Councilmember MacLeamy – Asked about the management fee. Staff responded that this would be considered as part of the Delegation Agreement negotiation. Increased costs since contract was executed but no management fee increase for past 12 years. Staffing and other operational costs have increased and been incorporated into budget but not management fee. Will we be looking at other management contracts? Staff Member Nebb stated that they have looked somewhat as part of Delegation Agreement process. Councilmember MacLeamy had some additional questions regarding capital expenses increases. If the work is not done in budgeted year, then funds are carried over to next year such as the bathroom and pool expenses. Utility expenses exceed income. Water is not metered and increases are not passed to residents, it is considered a park operating expense.

Councilmember Athas - Capital budget question. Two items passed into new budget, but appears that many items under budgeted. Is the \$100,000 that has been added to the Capital Budget enough? Mr. Frei stated that he is comfortable with the increase for capital funds. Other questions about minor expense increases were answered.

Councilmember Dillon-Knutson – Asked for details for the deck rails and dry rot repair. Adequate funds set aside? Mr. Frei explained that like the east wall project, often we don't know until the repair work is started. As you prepare for the repair, you learn more about the extent of the damages. In terms of the deck rails and dry rot project, when the repairs were started, there was more severe damage than anticipated.

Councilmember Eklund asked a variety of budget questions with Mr. Frei responding.

- Total utilities this year is \$80k less than last year. Is that accurate? Yes. Especially gas, which was substantially less. Less usage but cannot say why. The predicted gas usage is an interpolation of fees from past usage.
- Alternative fuels options like solar. Has that been explored? No.
- Did not see any funds for electrical. Mr. Frei responded they are trying to allocate as much as possible to the category of infrastructure which covers unanticipated expenses.

- Raised questions about the previous street foundation issues. Mr. Frei responded that the park pavement plan has been cycled through and only two sections had a substructure issue. They did not find other problems. Streets are in good shape.
- Is the \$100,000 for seismic work on the east wall still adequate? Mr. Frei answered that actually \$165,000 is budgeted and is more than adequate for the wall. They are taking a phased approach to the seismic clubhouse retrofit.

#### Public Comment

Michael Holland – PAC stance on rent increase is not same as Assured Guarantee. Increase is for budget increases or capital but increased rent is not to pay for debt. Heads up for next year that this issue will come up with Assured Guarantee again. Recommend rent increase on what is required, not what Assured Guarantee wants. PAC forgot a \$3,000 expense for new exercise equipment. More residents are using less gas because they cannot afford it.

Rick Oltman – This park is so small to Assured Guarantee and no risk to any lender. No budgeting to Ownership alternatives. There is no PAC money to pursue any research alternative. This is taking away resources to pursue that.

Valerie Barbour – Like to see funds for ownership alternatives for legal advice.

Staff Member Nebb – Assured Guarantee felt that \$10,000 transfer budget is inappropriate. Assured Guarantee's long term interest is to pay off the bond or maintain status quo.

#### Council Comments and Actions

Councilmember Eklund moved, seconded by Councilmember Dillon-Knutson, to approve the budget with the \$3,000 increase for exercise equipment with monthly flexible adjustment. Need to add anything to for the flexibility? No, approval of an annual budget will give PAC and Al Frei the flexibility to revise monthly capital to avoid the budget from going below 1.2 DSR.

Councilmember Athas, what about rent increase? Does agreeing to budget this year obligate for rent increase next year per Assured Guarantee? Staff Member Capriola said that is a discussion for next year.

The motion to approve the operating and capital budgets carried unanimously.

#### **E-4 Direction on Property Condition Survey for MVMCC (Staff Report)**

Staff Member Capriola gave a short introduction. The Property Survey is a requirement of the Delegation Agreement and the Management Agreement and should have occurred previously. Staff will be looking for local consultant to perform the survey. Staff asked the City Council to review the draft scope as the action for this agenda. Assured Guarantee wanted the property condition report finished by December 1<sup>st</sup>. Selection of the consultant (if required) will be done at a regular City Council meeting due to timing issues. The goal of the study is to create a good 5/10 year capital budget. The cost is expected to be \$50-\$70,000. The survey will be reviewed by the City Engineer rather than Al Frei because of City staff expertise; yet done in cooperation with Al Frei and PAC. The Council's thoughts on the scope were being sought.

Councilmember Eklund – Comments on each of the sections. Dismayed the survey is only checking valves to water pipes and no test of water quality. She would like to have testing of water quality because of lead pipes. Concerns with Assured Guarantee and location of gas lines. Only speaking with inspectors is not sufficient. Staff Member Capriola stated that, once pipe locations are located, they will be mapped. There is an annual inspection of by Public Utilities of the gas lines and any repairs are made then. Councilmember Eklund continued with comments on the mapping of the electrical systems.

Staff Member Capriola added that only the main system can be mapped and the locations of the other lines will only be known if they dig and they are all over the park. Staff Member Capriola continued that, from the survey, they will learn the extent and how to get their arms around the system. The Park will get recommendations from the survey. Councilmember Eklund asked if there was an electric generator. No. She is concerned not knowing the electrical system because of the past outages and that there is no backup system. She is uncomfortable with limited work task of the electrical system based on recent issues by PG&E. Staff Member Nebb stated that PG&E can flag their lines as a senior park, adding that we do not want a possible duplication of efforts with PG&E. This issue is tied into the PUC's sub-meter issue. Councilmember Eklund asked whether the deliverable will be similar to a reserve study. Staff answered yes.

Councilmember Dillon-Knutson – What are the emergency plans for if the power goes out? Mr. Frei responded that there was an emergency preparedness committee studying the purchase of a generator for the clubhouse. Has there been a survey of those who are homebound? Catherine Mudie – Co-chair of MVEST commented. They received some funds so they will be purchasing a generator for the clubhouse. MVEST is developing an emergency list of residents' needs. Councilmember Dillon-Knutson stated she is glad to see a review of sewer lines and laterals. Review of water lines to prevent possible leaks. Are there still issues of sinkholes? No. Good to see the park getting a geotechnical report also.

Councilmember Athas – pretty pleased with scope. She asked if the seismic study is the same timeframe as clubhouse seismic retrofit. Al Frei stated no, they are on separate timelines.

Councilmember MacLeamy – Fortunately, we have done a lot of slope repairs and retaining walls over the years. She would like to see a final map and have the slope repairs in park located on the map. Would that be helpful? Al Frei stated that it might be helpful for the City Engineer, but they will not map individual lot retaining walls. Staff Member Capriola said since City is owner and is more engineering than maintenance, City will take the lead. Cleaner process if staff bids the work but will work with PAC and AF. Will be slightly different process because bids are usually done through Frei Real Estate. It is well that this is being done – it is long overdue.

Mayor Kellner – Pleased with the scope and all questions asked. Seems like it is on the right track.

Staff has received overall direction of the scope of the study with emphasis on electrical.

Councilmember Eklund asked about water quality? Staff Member Capriola responded staff can look at water quality but will need to contact the Water District.

#### **E-5 Extension of Delegation Agreement (Staff Report)**

Cathy Capriola provided an introduction. Due to the focus on redevelopment, negotiations have been placed on the back burner and will need to extend to 12/31/11.

Councilmember MacLeamy asked if the City Council will have input into the Management Agreement and the park management company. Staff responded affirmatively since the Management Agreement is an attachment to the Delegation Agreement.

#### **Public Comment**

Michael Holland – June 8 meeting to vote on the extension. A timeline will be helpful to show future meetings.

Michael Read – Transfer will make all this go away. If asset, can it be transferred like the theater, with a lot of strings. Read some quotes.



### Council Comments and Actions

Councilmember Athas moved, seconded by Councilmember MacLeamy, to approve the extension. The motion carried unanimously.

#### **E-6 Direction on PG&E Notice Regarding Submetered System (Staff Report)**

Staff Member Nebb provided information. Unknown at this time if any future transfer of the electrical subsystem be mandatory or not? Charges will be determined by CPUC. Councilmembers asked some follow-up questions. No action was taken by Council, informational item only.

#### **F. GENERAL BUSINESS**

##### **F-1 Bucket Analysis for Period Ending March 31, 2011 (Staff Report)**

Staff reviewed. Informational only.

##### **F-2 Park Management Update: Al Frei**

-Regular General Report – Provided General Update

-Engineering Assessment of Club House East Wall – Update

-Meter Reading Issue – Al Frei provided an update on the recent issues with utility reading stating that a technical issue and then staff misinterpretation had caused some consternation. Staff reads the meter and this information is transferred to a private company, Park Utilities, that Frei Real Estate Services contracts with to do the park billing. The hand-held unit malfunctioned, so the first half was re-read manually. There were only two deviations. Misinterpretation of billing cycles and guesstimates. There really are no adjustments.

##### **F-3 PAC Update: Michael Holland**

Reported that an election had been held and the three incumbents were elected. Clubhouse remodel and redecorating is underway as an ongoing project. First is the kitchen and downstairs card room. More and more comments about not being able to afford the heating. Affordability will be a priority in the future. Focus on nice-to-have versus need-to-have. Looking forward to rent decreases in the future. Debt obligation is large part and will be paid off soon.

Valerie Barbour – Disturbing situation. Gas bill was \$100 more. Another was a \$200 electric bill.

#### **G. BOARD/STAFF COMMENTS**

Councilmember Eklund made some follow-up comments on the utility billing issue. Heard from residents that they were not able to get a hold of office staff. Need more communication sooner. Can Frei Real Estate Services change some things to better accommodate these issue in the future.

G-1: Determine next meeting date -- September 2011

#### **H. ADJOURNMENT @ 8:45 pm**

**MEMO**

**DATE:** September 21, 2011  
**TO:** Mobile Home Park Owners & Park Residents  
**FROM:** Brian Cochran, Finance Manager  
**SUBJECT:** **Consumer Price Index Percentage Change for Calendar Year 2012  
Rent Adjustment**

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Pursuant to the requirements of the Mobile Home Rent Control Ordinance No. 1475, this memorandum will serve as official notice that the Consumer Price Index (CPI) for All Urban Consumers, as reported by the U.S. Department of Labor, increased by **2.92%** between August 2010 and August 2011. As provided by the Ordinance, 100% of this increase in CPI may be passed through to tenants as a General Rent Adjustment. Section 20-5 states the following:

- A. Each January 1, commencing with January 1, 1997 and ending with January 1, 2003 an owner may increase the rent charged for a mobile home space by 75% of the percentage increase in the CPI occurring over the twelve-month period immediately preceding the September 1, which immediately precedes January 1 of the year in which the increase is permitted under this subsection 20-5(A). Each January 1, commencing with January 1, 2004, an owner may increase the rent charged for a mobile home space by 100% of the percentage increase in the CPI occurring over the twelve month period immediately preceding the September 1, which immediately precedes January 1 of the year in which the increase is permitted under this subsection 20-5(A).

As required by State law, tenants are entitled to 90 days notice of any rent increase. Therefore, in order to lawfully apply this CPI increase as a General Rent Adjustment on January 1, 2012, tenants must be notified by October 1, 2011, of any proposed rent increase.

Should you have any questions regarding this CPI notice, please call me at (415) 899-8912.

**MEMORANDUM**

October 28, 2011

TO: City Council

FROM: Brian Cochran, Finance Manager

SUBJECT: **Bucket Analysis for the Period Ending September 30, 2011****THE CITY OF  
NOVATO  
CALIFORNIA**75 Rowland Way #200  
Novato, CA 94945-3232  
(415) 899-8900  
FAX (415) 899-8213  
[www.ci.novato.ca.us](http://www.ci.novato.ca.us)

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Attached is a copy of the Bucket Analysis Report for the period ending September 30, 2011. According to the analysis, the Cash Trap balances are as follows:

**Senior Cash Trap balance** **\$ 1,714,563**

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 September 30, 2011 is as follows:

**Senior Revenue Bonds Outstanding** **\$ 10,435,000**

Novato Financing Authority  
 Marin Valley Mobile Country Club "Bucket" Analysis  
 Through ..... 9/30/2011

<u>Bucket No.</u>	<u>Description</u>	<u>US Bank No.</u>	<u>Required Balance</u>	<u>US Bank Balance</u>	<u>Due To (From) Cash Trap</u>	<u>Adjusted Balance</u>
	Revenue Fund	95436060	0	0	0	0
1	Senior Bond Interest	6061	303,221	303,223	2	303,221
2	Senior Bonds Principal	6062	345,000	345,000	0	345,000
3	Senior Debt Service Reserve	6065	1,000,000	1,000,000	0	1,000,000
4	Utility Account	6077	31,756	92,115	60,359	31,756
5	Replacement Reserve Fund-Capital Plan	6064	941,343	934,548	(6,795)	941,343
6	Escrow (Insurance) Fund (Reserve costs)	6063	3,048	18,578	15,530	3,048
7,8	Expense Fund	6066	3,900	19,259	15,359	3,900
11	Property Manager Account	6072	0	4,417	4,417	0
12	Operating Expenses	6078	48,304	165,391	117,086	48,304
13	Arbitrage Rebate Account	6068	1,875	9,375	7,500	1,875
19	In Lieu of Tax-City of Novato	6059	0	0	0	0
	Deferred Costs Fund-Consultant Account	6074	0	12	12	0
	PAC Expense Account	6075	999	2,571	1,572	999
	Owner's Expense Account	6076	6,250	59,332	53,082	6,250
	<b>Subtotal required Balances</b>		<b>2,685,696</b>		<b>268,125</b>	
21	Senior Cash Trap	6067	1,873,379	1,659,909	(213,470)	
	<b>Total Cash Trap Balances</b>			<b>1,659,909</b>	<b>54,654</b>	<b>1,714,563</b>
<b>TOTAL CASH HELD BY TRUSTEE</b>		<b>9/30/2011</b>		<b>4,613,730</b>		

Debt as of September 30, 2011

Senior Loan principal outstanding is \$ 10,435,000  
 Subordinate Loan principal outstanding is \$ 0

**Senior Cash Trap Balance**

1,478,916	Prior month's balance
180,992	Trustee allocation July
54,654	Distribution at 09/30/11
<b>1,714,563</b>	<b>Balance</b>

Novato Financing Authority  
 Marin Valley Mobile Country Club "Bucket" Analysis  
 Through ..... 8/31/2011

<u>Bucket No.</u>	<u>Description</u>	<u>US Bank No.</u>	<u>Required Balance</u>	<u>US Bank Balance</u>	<u>Due To (From) Cash Trap</u>	<u>Adjusted Balance</u>
	Revenue Fund	95436060	0	49,276	49,276	0
1	Senior Bond Interest	6061	252,684	252,686	1	252,684
2	Senior Bonds Principal	6062	316,250	316,250	0	316,250
3	Senior Debt Service Reserve	6065	1,000,000	1,000,000	0	1,000,000
4	Utility Account	6077	32,969	93,328	60,359	32,969
5	Replacement Reserve Fund-Capital Plan	6064	943,946	911,639	(32,307)	943,946
6	Escrow (Insurance) Fund (Reserve costs)	6063	2,032	17,562	15,530	2,032
7,8	Expense Fund	6066	2,600	17,959	15,359	2,600
11	Property Manager Account	6072	0	0	0	0
12	Operating Expenses	6078	35,548	152,635	117,086	35,548
13	Arbitrage Rebate Account	6068	1,250	8,750	7,500	1,250
19	In Lieu of Tax-City of Novato	6059	0	0	0	0
	Deferred Costs Fund-Consultant Account	6074	0	12	12	0
	PAC Expense Account	6075	666	2,238	1,572	666
	Owner's Expense Account	6076	4,167	57,249	53,083	4,167
	<b>Subtotal required Balances</b>		<b>2,592,113</b>		<b>287,472</b>	
21	Senior Cash Trap	6067	1,711,733	1,478,916	(232,817)	
	<b>Total Cash Trap Balances</b>			<b>1,478,916</b>	<b>54,655</b>	<b>1,533,571</b>
	<b>TOTAL CASH HELD BY TRUSTEE</b>	<b>8/31/2011</b>		<b>4,358,501</b>		

Debt as of August 31, 2011

Senior Loan principal outstanding is \$ 10,435,000  
 Subordinate Loan principal outstanding is \$ 0

**Senior Cash Trap Balance**

1,455,504	Prior month's balance
23,413	Trustee allocation July
54,655	Distribution at 08/31/11
<b>1,533,571</b>	<b>Balance</b>

Novato Financing Authority  
 Marin Valley Mobile Country Club "Bucket" Analysis  
 Through ..... 7/31/2011

<u>Bucket No.</u>	<u>Description</u>	<u>US Bank No.</u>	<u>Required Balance</u>	<u>US Bank Balance</u>	<u>Due To (From) Cash Trap</u>	<u>Adjusted Balance</u>
	Revenue Fund	95436060	0	59,634	59,634	0
1	Senior Bond Interest	6061	202,148	202,149	1	202,148
2	Senior Bonds Principal	6062	287,500	287,500	0	287,500
3	Senior Debt Service Reserve	6065	1,000,000	1,000,000	0	1,000,000
4	Utility Account	6077	32,145	92,505	60,359	32,145
5	Replacement Reserve Fund-Capital Plan	6064	931,464	899,157	(32,307)	931,464
6	Escrow (Insurance) Fund (Reserve costs)	6063	1,016	16,546	15,530	1,016
7,8	Expense Fund	6066	1,300	16,659	15,359	1,300
11	Property Manager Account	6072	0	0	0	0
12	Operating Expenses	6078	32,494	149,580	117,086	32,494
13	Arbitrage Rebate Account	6068	625	8,125	7,500	625
19	In Lieu of Tax-City of Novato	6059	0	0	0	0
	Deferred Costs Fund-Consultant Account	6074	0	12	12	0
	PAC Expense Account	6075	333	1,905	1,572	333
	Owner's Expense Account	6076	2,083	55,166	53,083	2,083
	<b>Subtotal required Balances</b>		<b>2,491,108</b>		<b>297,830</b>	
21	Senior Cash Trap	6067	1,698,679	1,455,504	(243,175)	
	<b>Total Cash Trap Balances</b>			<b>1,455,504</b>	<b>54,655</b>	<b>1,510,159</b>
<b>TOTAL CASH HELD BY TRUSTEE</b>		<b>7/31/2011</b>		<b>4,244,442</b>		

Debt as of July 31, 2011

Senior Loan principal outstanding is \$ 10,435,000  
 Subordinate Loan principal outstanding is \$ 0

**Senior Cash Trap Balance**

1,455,504	Prior month's balance
-	Trustee allocation July
54,655	Distribution at 07/31/11
<b>1,510,159</b>	<b>Balance</b>