

## Notes on the process of Park acquisition by the residents

**June 21, 1986** Letter to Residents – In order for the process of park acquisition to begin, it is necessary that we create a non-profit corporation which represents the residents in the Park. It is for this reason that the Park Purchase Committee of the HomeOwners League could not function in this capacity. It is also the reason why, at the May General Meeting of the HOL, a motion was presented and carried by majority vote that residency in the Park will be the only requirement for membership in HOL (the same provision which as always existed for MarVall).

PLEASE NOTE THAT THIS CORPORATION WILL CEASE TO EXIST ONCE THE ATTEMPT AT PARK PURCHASE IS ABANDONED OR THE PARK IS SUCCESSFULLY ACQUIRED. If there is an acquisition, a new organization will be created to operate the park!!!!!!

Also, please note that the corporation to be created as a result of the present election, will be separate from, and not answerable to, HOL as an organization. It will be answerable to the corporation, of which all residents are members. It's sole purpose will be to explore the possibility of park purchase and to implement the acquisition, if so ordained by residential vote. No one will be compelled to participate in the park purchase against their will. The Board of Directors, MVMCC, HomeOwners League. President of HOL, James Harais, and Chairman of Park Purchase Committee, Lev Olds.

**July 29, 1986** PAC signs an agreement with Continental Associates out of San Diego for the conversion of the Mobilehome Park. Fees will be \$1225 per space / \$390,000 plus all direct costs.

**July 30, 1986** Sends Continental Associates from HOL \$350 for costs of incorporation of Park Acquisition Corporation. In order to avoid and possible confusion in the corporation name, that it be incorporated as PARK ACQUISITION CORPORATION OF Marin Valley Mobile Country Club. Officers are W.E. Pose, President, 61 Club View;

Leavitt Olds, Vice Pres. 122 Sunrise; Edward Fifer, Treasurer 8 Wild Oak; Sonia Freedman, Secretary, 56 Club View; Dr. Allen Conroy, 124 Marin Valley

**June 28, 1988** PARK ACQUISITION CORPORATION OF MARIN VALLEY MOBILE COUNTRY CLUB is incorporated

**May 17, 1990** Letter to Continental Associates

At the present time, the Sades are still not interested in selling. They are, however, trying desperately, to keep the Park an Adult-only facility. Because of certain moves on their part in the past, there is a strong possibility that they will not prevail. It is rumored that they are not able to sustain their position, they will dispose of the Park. I will keep on top of the situation and will advise if they are interested in selling. However, if that possibility occurs, I am not certain of our continued interest in buying. Signed W.E. Pose  
President

**October 16, 1990** Continental Associates closes their file on the Park.

**1994** W.E. Pose dies – Owen Haxton becomes president of PAC

**1995** PAC board: Owen Haxton Pres., Robert Telder V.P., James Harais Treas., Burt Vreeland Sec., and Catherine Carpino. Looking at Bank of America for loan – they will finance 80% of the loan. The market value of the Park must be obtained. A discussion was held on the previous attempt to purchase the Park and the following items became evident: There is land for an additional 30 units and that should be included. The estimated value of the Park in 1993 was \$28 million. An additional \$3 million should be included for infrastructure. The City Plat for the Park should be reviewed. A minimum of 75% of the residents must be willing to buy the park. Since only one resident per unit is required, 75% of the units must want to purchase the park.

**1990s:** PAC, representing the residents of Marin Valley, entered into an agreement to purchase the park from the owners, Paul and Eleanor Sade. After unsuccessfully to put a financing package together that would allow the purchase and keep rents affordable for the 315 households, the residents asked the City of Novato for help. After considerable discussion, on October 15, 1996 the City Council and Redevelopment

Agency entered into a Joint Exercise of Powers Agreement that formed the Novato Financing Authority, whose purpose is to assist in financing the acquisition, and the operation and maintenance of the mobile home parks in the City. Households vote to go with NFA – 270 votes Yes 71%

**1997** NFA issued \$15.4M in tax-exempt Senior revenue Bonds and \$1.5M in tax exempt Subordinate Bonds (March 1, 1997) to finance the purchase of the park from the Sades. Rent revenue generated by MVMCC was pledged to the bond payments. The NFA holds sole title to the park and is responsible for repayment of the tax exempt bonds. Signed by Pat Eklund for the NFA and Owen Haxton for the Park.

**December 11, 1999** PAC Quarterly meeting. Board of Directors of PAC (Owen Haxton, Kay Frey, Bret Vreeland, Pat Miller, Fred Collins) received a copy of a petition signed by 186 residents of Marin Valley Mobile Country Club who have indicated that they do not support the proposed transfer of title of MVMCC from NFA to LINC, ... does hereby withdraw pending request for approval by NFA.

**December 17, 1999** NFA meeting. Chair Pat Eklund indicated that NFA never intend to “dump” MVMCC. The NFA since the beginning has committed to helping MVMCC become a resident-owned park. Phil Brown said that it was never the intent of NFA to become permanent owner of the park and would continue to work to see it become resident-owned.

**March 2000** – MVMCC residents vote on term limits for PAC board members- the vote was 80 yes for term limits and 189 against limits.

**May 2000** – PAC adds advisor at large, has a voice but no vote – Shirley Scott appointed

**June 2000** PAC board was Owen Haxton, Pres – Kay Frey, V.P. – Pat Miller, Sec. – Sally Austin, Treas. and Bret Vreeland – Election was not made public – afterwards PAC vote to announced election returns. 4-0-1. Frey and Miller have a 2 year term – Haxton and Vreeland have a one year term.

**July 2000** – Approve replacement home rules after problems with 35 Scenic’s new home. Service debt ratio fell below 1.2 – park in default

**2001** PAC board: Norm Lane, Pres ; John Wallace, V.P.; Pat Miller, Sec.; Connie Marelich, Treas.; and Dan Richard. Tony Marelich asks why some homes pay a lot more rent than others. Al Frie says it’s under rental control. Evelyn Swenson new NFA board member.

**July 2001** PAC board gets \$2000 for petty cash. PAC has two people on the Rent Control Board

**Aug 2001** PAC meeting - Maria Cheng of FSA, has agreed to permanent waiver of our requirement for meeting the Senior Debt Service Coverage Ratio as called for in the Documents. This results in lifting the Event of Default and the Trigger Event previously declared. \$4000/year is allocated by the Documents for PAC operating expenses. From this amount, the cost for Errors and Omissions Insurance is deducted automatically. This year that cost is \$1200. However, not only is the PAC board covered by this insurance but also the Mar-Val and HOL boards are covered.

### **Oct 2001**

Pat Miller resigns and Betty Richard is appointed. John Wallace explained that the BOD would like to investigate various methods for refinancing the Project so that ownership could pass from NFA directly to the residents. The possibility of forming a 501(c)3 was discussed. This would provide a beneficial tax status for the Project. Although one of the objections has been that a separate corporation would have to be found in as much as the Park residents would not be eligible to serve on the board of directors.

Comment from Pat Eklund stated that NFA originally had hoped to be paid off in six or seven years although Hoon and Kenyon had felt we could obtain a 501(c)3 in two or three years. At any rate, NFA is in this “for the long haul.” If it appears that a 501(c)3 is not feasible, she suggested that we investigate other methods and bring them to NFA for approval. There were comments to the effect that many residents don’t want us to

refinance and are happy having the Park operated under NFA. It was suggested that funds are not available for legal fees which would be necessary for refinancing.

**Nov 2001** – Brown ACT – City Attorney Opinion on Brown Act Application to PAC: Wally Bobkiewicz summarized an opinion from the Agency counsel that concluded in her opinion, the PAC is subject to the Brown Act, California's open meeting law. Therefore, the NFA Board requested that the PAC comply with the Brown Act's requirement for posting agendas.

Members of the PAC board responded by requesting NFA staff to provide information and training to the PAC on adhering to these requirements. Furthermore, NFA staff should send a letter indicating that they are subject to the Brown Act and also attach a copy of the City Attorney's opinion.

Motion by Board Member Swenson, second by Board member Brown to transmit the opinion by the City Attorney that states that the PAC board is subject to the Brown Act and its open meeting requirements. Motion carried 3-0

**Dec 2001** - talks start about having two non-residents elected from park on NFA

**Jan 2002** - rent increase by 3.825%, 75% of 5.1%. PAC wants to move sewer paid by residents moved to expense account. PAC wants to add Paul Scheller and David Price Jones to NFA board. PAC office to open in Cloak Room.

**Jan 14, 2002** NFA meeting – Wallace stated that after receiving the Brown Act resolution from the NFA, the PAC is now adhering to its open meeting requirements. However, the PAC is seeking another opinion from the Fair Political Practices Commission as to whether the PAC is subject to the Brown Act.

**March 2002** – report that Novato Police covers traffic ordinance in MVMCC. Speed limit has to be 25mph or higher.

**April 2002** - PAC sends to NFA budget with a one time credit of sewer costs for one year for rent relief – NFA denied but create \$10,000 rental assistance. PAC board Norm

Lane, Pres.; John Wallace, V.P.; Betty Richard, Sec; Connie Marelich, Treas. and Dan Richard. NFA Paul Scheller and David Price Jones.

**Sept. 1, 2004** Motion by Wallace that the Ownership Committee be authorized to conduct a series of meetings with PAC members who wish to attend to receive input from members regarding the general subject of Park Ownership.

Question: At the NFA meeting, the question was asked, will we actually own the property when all the bonds are paid off and the answer was, NO, that NFA would own the park. If we don't take an action to obtain the transfer of the title from NFA to an entity that we want, or form, then when the bonds are paid off, if we haven't done that, the NFA will continue to hold title.

**November 10, 2004** Ownership committee report on 9 different types of ownerships: 1, Non-Profit Mutual Benefit Corporation; 2, Non-Profit Public Benefit Tax-exempt Corporation (501(c)3); 3, Condominium Project; 4, Planned Development; 5, Stock Cooperative; 6, Limited Equity Housing Cooperative; 7, Long Term land lease; 8, For Profit Corporation; 9, Beneficial Trust

**November 13, 2004** NFA meeting. Discussion of Bond Financing and MCMCC Ownership options. 1 Non-Profit Corporation – It is unknown what benefit the residents would derive from the park being transferred from NFA to a non-profit Corp. they did not control. 2 Condominiums – The existing tax exempt debt would have to be repaid and replaced with taxable bonds. 3 Refinancing Options / Tax Exempt Financing – Taxable Financing

**March 21, 2005** PAC meeting

The PAC to retain the law firm of Goldfarb & Lipman to begin the legal process to create and obtain a 501c3 non-profit, public benefit corporation, whose Board of Directors will be resident-controlled.

\$3,000 retainer from 2004-05 – Spent \$1,500; \$25,000 budget for 2005-06 – Spent \$30,232; ? budget for 2006-07 – Spent \$33,062; \$36,000 budget for 2007-08 – Spent \$36,528 as of May; \$25,000 budget for 2008-09 changed to subcommittee report study

**April 2005** Conference Call with Goldfarb & Lipman and Working Group to discuss structure of MVSC

**May 2005** 1st draft of Articles of Incorporation distributed to Working Group

**June 2005** meeting with Goldfarb & Lipman, Bill O'Connor, Mary Neilan, Emily Wagner, financial adviser to the city of Novato, Steve Melikian, bond counselor, Veronica Nebb – RE potential transfer of Park from NFA to MVSC. 1st draft of Bylaws distributed to Working Group

**August 13, 2005** Park meeting with Goldfarb & Lipman to explain Park structure and Bylaws

**August – September 2005** All park vote to complete the transfer of title to the Residents. Official Ballot (reads) – “The residents of MVMCC approve the formation of MVSC. Inc. (Marin Valley Senior Community) a California non-profit, public benefit corporation; and support the continued efforts to obtain 501c3 tax exempt status from the IRS; and authorize negotiations with NFA and SFA (FSA) to transfer tile. (Final transfer will be approved by the residents.)” Check one (1) box only - YES I Approve - NO I do not approve. 398 ballots sent out – 297 ballots returned – 272 Yes (68% of all residents) – 25 No – 10 Void

**October 2005** 1st meeting of MVSC Board of Directors – Bill O'Connor Pres.; John Wallace VP; Pat Miller, Owen Haxton. Outside directors Laura Levine, Peter Tiernan and Clark Blasdell.

**December 3 2005** MVSC meeting. Owen Haxton said: 1) we will not own Marin Valley; 2) it isn't required that the homeowners elect the resident members of BOD; 3) the BOD, without in-put from the homeowners, may amend the bylaws of MVSC, and without homeowners even knowing they had been amended; 4) residents have less control of their community than if the title remains with NFA; 5) homeowners will be less secure than under the current documents and NFA

**February 2006** MVSC – residents provide comments on Bylaws

**March 2006** MVSC – meets and adopts revised Bylaw (with resident comments incorporated). NFA Jeanne MacLeamy has replaced Pat Eklund on the NFA

**May 1, 2006** Goldfarb & Lipman submits 501c3 application to IRS

**May 23, 2006** NFA requirements for transfer of property – Some preliminary research

**July 28, 2006** IRS has review MVSC application for tax exempt status we have determined that you are exempt from Federal income tax under section 501c3. Advance ruling ending date: December 31, 2009

**October 7, 2006** First MVSC election results: Owen Haxton 238 – Pat Miller 165 – Bill O’Connor 164 – John Wallace 163 - Ray Schneider 150 – William Humes 102 – Mary Lou Hayne 69 – Joe DeAvila 65 - Dick Fisch 21 (298 total valid ballots were cast out of total number of eligible 414 voters for a 72% turnout

**November 14, 2006** – Jeanne MacLeamy, sends a letter to residents for a bit of clarification: I recently received a copy of a letter Bill O’Connor says in part, “NFA received a recommendation at their meeting last week from Mary Neilan, Assistant City Manager, to halt further negotiations and postpone further staff work on the transfer in order to take another vote of the residents to see what they wanted.”

To clarify Staff Report – 1. Direct staff to provide information as necessary and conduct a poll of residents at MVMCC to determine the level of support for transfer to MVSC, given its IRS approved corporate structure and bylaws. NFA may wish to discuss what percent of residents’ support is sufficient to proceed.

The only action taken by the NFA at that meeting was to direct staff to continue to gather information about the proposed transfer.

**November 17, 2006** residents vote approving transfer to MVSC. Total residents voting 308 – Yes 231 75% - No 77 25%.

MPROP Survey of resident participation in transfer 2007:

Survey results Number % overall

Yes 237 91% 76%

No 12 5% 4%

Decline to state 11 4% 3%

Non responsive 53 0 17% 313

**January 2008** Novato Redevelopment Agency (RDA) votes 5-0 to stop transfer. NFA votes to cut funding for the 501c3 from 60k to 11k – 5-0 vote.

**May 22, 2008** NFA was asked to extend the Exclusive Negotiating Rights Agreement with MVSC, due to expire on June 7, 2008, for an additional twelve months. The NFA declined to extend the ENRA, by a 4-1 vote with Board member Tiernan dissenting. Also voted to cut all funds from 08-09 budget for 501c3, on a 5-0 vote.

**May 27, 2008** Mary Neilan, Assistant City Manager, mails to the Park residents a letter to review the recent action by the NFA and to dispel a number of rumors and misconceptions circulating at the park.

**June 2008** NFA voted not to consider a subcommittee for ownership on a 3-2 vote, Brown and Tiernan voted no, also voted not to extend ENRA for six months on the same 3-2 vote.

**January 10, 2009** forum for transfer of Park to resident control: George Trubiano and Joe DeAvila presentations

**June 18, 2009** FSA sends a preliminary list of items that FSA requires to MVSC

Mike is continuing to update this history.