

DRAFT CCCD

ROC USA® Certified Technical Assistance Provider Technical Assistance Agreement

This is a contract between the **California Center for Cooperative Development a ROC USA® Certified Technical Assistance Provider** (hereafter “CCCD”), of 979 F Street, Suite A, Davis, in the State of California and Marin Valley Cooperative, Inc. (hereafter “Corp”), of 100 Marin Valley Drive, Novato, in the State of California, entered into this **DATE**. The contract will remain in effect for ten (10) years from this date or, for the life of the loan (defined below), whichever is the greater.

Corp is considering an opportunity to purchase the community where its members live and recognizes that technical assistance and training are essential to its success.

CCCD provides technical assistance to homeowners through a contract with Residential Ownership Network, LLC d/b/a ROC USA® NETWORK (hereafter “Network”). Network is a subsidiary of ROC USA® LLC (hereafter “ROC USA®”), which is a social enterprise organized exclusively for charitable and tax exempt purposes as set forth in Section 501(c)(3) of the Internal Revenue Code.

CCCD and ROC USA® share a purpose to aid people living in manufactured home communities (“MHCs”) so that as a group they can purchase their communities and operate them as resident-owned corporations thereby: (i) preserving long-term existence and affordability of the MHC; (ii) creating a stable environment for reasonably-priced single-family home loans; (iii) lessening the burdens of state and local governments arising out of the loss of this sector of affordable housing; (iv) combating deterioration of MHCs; and (v) eliminating the economic discrimination and stigma suffered by owners of manufactured and “mobile” homes within MHCs.

In order to achieve this purpose, ROC USA® has developed, and the CCCD has adopted, the ROC USA® Resident Ownership Models (the “Models”) and Principles (“Principles”), which are attached.

Pursuant to CCCD’s contract with Network, if Corp decides against organizing in accordance with the Models, this Agreement will automatically terminate and, as of the date of termination, the Agreement will be of no further force or effect between CCCD and Corp, and Corp will not be eligible to apply for a loan through Resident Ownership Capital d/b/a ROC USA® Capital (“ROC USA® Capital”). In deciding whether to organize in accordance with the Model, the Corp should seek legal counsel.

I. For the consideration agreed to in this contract, CCCD agrees to provide the following services:

A. TECHNICAL ASSISTANCE (“TA”) & TRAINING

1. Pre-purchase TA & Training:

- a) guidance through the resident ownership purchase process, including community education and training, financial analysis, and purchase process check-list;
 - b) preparation for seller/owner negotiations;
 - c) assistance with identifying and securing independent counsel, including referrals to third-party attorneys who have demonstrated interest and experience in pertinent areas of the law, as well as assistance with vetting, interviewing and engaging the chosen attorney;
 - d) access to template legal documents, including Articles of Incorporation, By-laws, Community Rules, Membership Agreement, Occupancy Agreement, and Membership Certificate, all of which will be reviewed by the Corp's own attorney;
 - e) assistance with preparing the Community Management Plan, including an operating budget for the MHC and the development of policies and procedures;
 - f) assistance with preparing the financing proposal and referring the Corp to a variety of appropriate lenders, as time and circumstances permit, including ROC USA[®] Capital. To the extent the Corp has multiple lenders as options to finance the purchase of the community, Corp shall simultaneously solicit financing proposals (Term Sheets) from all lenders at the same time and formally consider such proposals side-by-side to determine which is most favorable to the Corp;
 - g) assistance with identifying and engaging a qualified engineer and/or other professional inspection contractors who can evaluate the condition of the property and deliver a reliable third-party property conditions report, including assistance with referring, vetting, interviewing, and engaging such professionals;
 - h) assistance with the distribution and analysis of resident surveys for capital improvements planning, budgeting, and quantifying the number of low- and moderate-income homeowners that will be served through the Corp's purchase; and,
 - i) providing organization development assistance for the democratic Corp, including membership training, Board of Directors and Committee training, parliamentary procedure and meeting management, decision-making, record-keeping, and ethics.
2. Post-purchase TA & Training:
- a) assistance with implementing the Community Management Plan, the operating budget, Capital Improvement Plan, and policies and procedures;
 - b) assistance with governance of the Corp, business operation of the MHC, and community building, including training and education

- programs for membership and leadership;
- c) assistance with complying with loan and, if applicable, grant covenants and terms; and
- d) access to Network activities within the market area of CCCD for building linkages among community leaders and members from Corp and other similar Resident Owned Communities (hereinafter “ROCs”).

Note: This Agreement does not include physical improvements project management and/or assistance with bidding or contracting with contractors, project design, and/or oversight or assistance with grant proposals or administration of any capital improvements project. Any such additional services may be provided but will be contracted for by a separate agreement to which additional fees may apply.

B. ACCESS TO LOANS

CCCD, through its own in-house lending programs, through ROC USA[®] Capital, or through other applicable programs, will assist Corp to make loan requests for refundable deposits needed with purchase contracts, and for forgivable pre-development financing needed for the Corp’s due diligence (evaluation of the property and all infrastructure) and legal counsel.

Requests for financing for the purchase of the community will be submitted to ROC USA[®] Capital and any other lender(s) that Corp may want to consider. It is advised that Corp look for the widest array of lenders as it is in everyone’s interest for Corp to secure the best possible financing solution.

Note: ROC USA[®] Capital is a certified Community Development Financial Institution and a subsidiary ROC USA, LLC, a nonprofit social enterprise, and therefore is an affiliated company to the ROC USA[®] Network, with whom, as noted above, CCCD has a business relationship. Although receipt of TA from CCCD is required by ROC USA[®] Capital, loan approval is not specifically guaranteed because of this contract. ROC USA[®] Capital is a separate legal entity; loan approval requires approval by its own Loan Committee and is determined both by the funds available, lending priorities, and by underwriting guidelines. Although CCCD has been trained in these underwriting guidelines and how to best assist you in presenting your best case for financing, this is not a guarantee of a loan.

II. For the services provided above, Corp agrees to:

A. FEE PAYMENT

1. Initial technical assistance and training will be provided under the State of California MORE Technical Assistance contract of which CCCD and ROC USA are sub-contractors.

2. At closing, Corp will pay a Pre-Purchase Servicing Fee of up to 3.5% of the purchase price for the community to CCCD.
3. On an annual basis, Corp will pay to CCCD an annual TA and Training fee up to \$25,000 (structured based on purchase sale price) for Post-purchase TA & Training services and reporting requirements, for the term of this Agreement, unless the transaction is financed by ROC USA® Capital, in which case this fee is paid out of the interest paid by Corp to ROC USA® Capital, or this fee is paid by another lender or grant provider.

Note: pursuant to CCCD's contract with Network, should Corp obtain financing from a source other than ROC USA® Capital, Corp will be required to pay CCCD's annual TA and Training fee set forth in I above from Corp's annual operating income or through arrangement with other lender or grantor. CCCD will use its best efforts to ensure that its TA Services will be required by the lenders or grantors financing the purchase and be included in the loan documents or grant agreement as a condition of financing. CCCD cannot continue to assist a resident homeowner group that is not going to receive and pay for its TA services for the duration of its purchase financing.

Should Corp obtain financing through ROC USA® Capital, a condition of the loan will be that CCCD enter into a contract with ROC USA® Capital to service the loan, and the annual fee set forth in I below will be paid by ROC USA® Capital. Pursuant to the Models and Principles discussed above and attached, the long-term best interests of the resident-owned corporation as a community and borrower are CCCD's primary goals. When CCCD's role as a trainer and a loan servicer (and/or lender) are in conflict, CCCD will openly discuss CCCD's position with the Board of Directors, and membership of Corp as appropriate, and encourage them to consult third-party professionals privately on the issue.

B. To ensure the long-term success of Corp, Corp agrees to the following:

1. to invite every resident homeowner currently living on the property to join Corp, and to keep this invitation open at all times;
2. to assure that membership is accessible to all homeowners and home buyers by adopting Bylaws, Policies and Community Rules which:
 - a) limit the equity in the membership interest to a fixed amount;
 - b) allow members who lived in Marin Valley Mobile Country Club prior to Corp taking ownership, to sign Membership Agreements and Promises to Pay to finance their membership fees if they want, and to extend to them full voting rights and Corp benefits in the meantime;
 - c) refrain from making policies that would inhibit or exclude any protected class and lower-income households from membership; and,
 - d) set nominal joining fees (fees payable to the organization toward membership prior to acquisition) of \$25.00.
3. to incorporate Corp in conformance with ROC USA® Models, to hold democratic elections to determine the Corp's Board of Directors, and to hold democratic votes to determine the Bylaws, Community Rules and annual budget;
4. to hold open meetings, allow open discussion of issues, and encourage membership participation except in rare cases where executive Board of Director sessions are necessary to discuss personal, legal, or confidential matters;

5. to disclose information regarding the Corp and community operations to all members and CCCD;
6. to establish Committees as needed to assist the Board with community management;
7. to participate with CCCD, ROC USA[®], and other ROCs in training and networking programs, including joining myROCUSA.org for ongoing access to training, information, and various resources aimed at helping ROCs succeed;
8. to work with CCCD to develop and implement Corp's Community Management Plan and financing proposals and engage third-party professionals such as an engineer, accountant and attorney as is prudent for specific counsel and advice to Corp;
9. to request, and consider in good faith, any offer of purchase financing from ROC USA[®] Capital,
10. to submit monthly financial reports (profit and loss, balance sheet, accounts payable, accounts receivable, and budget-to-actual reports), minutes of all Board of Directors and General Membership Meetings, annual financial reviews or audits, copies of Bylaws, policies, Community Rules, changes in Directors and Officers and other annual information to CCCD. This information is needed for CCCD's post-purchase training and TA services;
11. to provide CCCDs and physical and mailing addresses of all members to ROC USA[®] Network for purposes of newsletters, training event mailings, surveys, and future member benefits opportunities;
12. to operate the Corp in conformity with the ROC USA[®] Models and the Corp's governing documents including Articles, Bylaws, and Community Rules and applicable law. Failure of the Corp to carry out any of provisions set forth in (1.) through (12.) which, in the reasonable determination of the CCCD jeopardizes the long-term success of Corp may result in termination of this Agreement by CCCD.

III. INDEMNIFICATION:

CCCD hereby indemnifies Corp from any liability, including attorneys' fees and costs incurred in defending a legal action naming Corp as defendant or co-defendant, which might arise in connection with the negligence, gross negligence, fraud or willful misconduct of CCCD. To the extent that any portion of this clause is determined unenforceable by a court of competent jurisdiction, the parties intend for the court to enforce this clause to the fullest extent available under applicable law.

Corp hereby agrees to indemnify, defend, and hold harmless CCCD from any claim, including attorneys' fees and costs incurred in connection with any claim asserted against CCCD arising out of the Corp's purchase and operation of the MHC or the performance of CCCD's duties hereunder, unless due to the gross negligence, fraud or willful misconduct of CCCD. CCCD shall not be liable for any act or omission to act pursuant to this Agreement except for such act or omission to act which constitutes fraud, negligence, gross negligence or willful misconduct of the CCCD. For purposes of this Section, "claims" shall mean all claims, requests, accusations, allegations, complaints, petitions, demands, suits, actions proceedings, and causes of action of every kind and description.

This indemnification only extends to actions taken by the CCCD on behalf of Corp pursuant to this Agreement.

IV. GOVERNING LAW:

Any dispute under this Agreement, or related to this Agreement, shall be decided in accordance with the laws of the state of California.

V. SEVERABILITY:

- (a) Each of the sections contained in this Agreement shall be enforceable independently of every other section in this Agreement, and the invalidity or non-enforceability of any section shall not invalidate or render non-enforceable any other section contained herein.
- (b) If any section or provision in a section is found invalid or unenforceable, it is the intent of the parties that a court of competent jurisdiction shall reform the section or provisions to produce its nearest enforceable economic equivalent.

All copyrighted materials of ROC USA® are for the private use of the resident corporations assisted by a ROC USA® CTAP pursuant to this Agreement. The publication, sale, transfer or use of the materials other than such purposes is strictly prohibited.

The Provisions of this contract are agreed to by both the Corp and CCCD. If under the laws of the state the Corp is located, two corporations are needed to complete a sale to the residents, Corp agrees that it will not assign its right to purchases to the final buying group without assignment and delegation of the rights and responsibilities hereunder as well, with the consent of CCCD, which shall not be unreasonably withheld.

CCCD

CO-OP

E. Kim Coontz, Executive Director

Board President

Second Authorized Signature (insert Name)

**Attachment to
Certified Technical Assistance Provider Technical Assistance Agreement**

ROC USA® Resident Ownership Models

Resident-owned corporations assisted through ROC USA® should be formed in accordance with models that balance and maximize the following three objectives:

1. Preservation of existence and affordability of the manufactured home community long-term;
2. Asset-building for the homeowners individually; and,
3. Strong and mutually supportive leaders and communities.

Toward these objectives, the ROC USA® approved models for resident-ownership shall be consistent with the following guidelines:

1. It must be a membership organization made up of homeowners of the subject community, which must operate on a cooperative basis. For the purposes of this model “cooperative basis” means that it shall meet the following criteria:
 - Be established with a purpose to provide benefits to the owners of manufactured homes within the community;
 - Ownership must be open and accessible to all residents;
 - Ownership and voting must be structured equitably among all member households. Governance by members must be democratic and perpetuating by design and practice;
 - Surplus produced by the enterprise must benefit all member households equitably by application to retained earnings (for capital improvements or reserves) or distribution by patronage; and,
 - Be committed to operating in a manner that is consistent with the spirit of International Cooperative Principles.
2. There must be no barriers to membership for owner-occupied homes in the MHC which would restrict participation by homeowners of lesser financial means. The goal is open, affordable membership and zero displacement of lower-income homeowners. To accomplish these goals, the membership share price or membership price shall not exceed \$1,000 to assure current and future affordability. Further, the membership price for homeowners in place prior to the resident corporation’s purchase need to have an opportunity for payment over a period of time which supports the goal of open and affordable membership.
3. Long-term existence of the resident organization and the community must be assured by statutory dissolution constraints which remove any incentive to sell the assets and

recognize the profit individually, by making distribution of net proceeds to a 501(c)3 affordable housing organization, or via some other demonstrable mechanism acceptable to ROC USA® which is not subject to change by a vote of the members alone;

4. The organization must control its own membership admission process, Proprietary Leases and Community Rules;
5. There must be no imposed resale restrictions on homes sold, including but not limited to, limited-equity formulas and limits on homebuyer incomes, [the foregoing is not intended to be a restriction on replacement or in-fill home programs or where subsidy is used to assist low-income people in becoming a homeowner within the community, whether or not such program is conducted by the CCCD as one of its non-profit programs.]
 - Any funder requirements for on-going affordability are limited, temporary, and do not create different “classes” of residents, or,
 - Any funder requirements for on-going affordability are limited to restrictions on the resale of the membership or share, but not the homes.
6. Land is owned by the resident organization “in fee”; or,
 - When the use of a non-profit to hold title is necessary as part of the overall long-term preservation strategy, on a project by project basis, 99-year ground-lease of the entire community to the resident organization (i.e. a Leasehold cooperative) is permitted, subject to approval of the lease terms and its preservation of resident rights;
 - Any interim ownership by non-profit must have enforceable contract provisions for conversion to resident ownership within the minimum time necessary to effect necessary or desirable financing, infrastructure improvements and or in-fill.

Exceptions will be considered on a project-by-project or state-by-state basis, depending on the issue and according to specific written waivers.

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ROC USA® Organizing, Training, and Technical Assistance Principles

1. Trust is at the root of all effective relationships. An empowered membership is critical to building thriving neighborhoods and organizations. Information is shared openly with all members of the Board of Directors and, when it is not the subject of a personal or confidential nature, with all members.
2. Our role is to develop options for consideration by the appropriate decision-making body within the Resident-Owned Community and not one of imposing our choices.
3. We support the creation of a democratic framework and coach fair democratic process and dispute resolution.
4. Resident-Owned Communities are encouraged and trained in how to hire and oversee third-party service providers for legal representation, engineering services, auditing, etc. Templates and information are furnished to make efficient use of these third parties and not as a substitute.
5. Homeowners form corporations wherein directors have fiduciary and other duties to uphold. Our work must respect those duties in order for them to exist.
6. We only support entities whose policies do not discriminate, and whose membership is open to all homeowners in the community regardless of their income level, age, gender, sexual orientation, race, religious creed, color, marital status, familial status, physical or mental disability, or national origin. Note: MVC is currently a senior community.
7. The best long-term interest of the resident-owned corporation as a community and borrower are our primary goals. When our role as a trainer and a loan servicer (or lender) are in conflict, we openly discuss our position with the Board of Directors and membership, as appropriate, and encourage them to consult third-party professionals privately on the issue.
8. Long-term health and sustainability requires teaching respect and understanding of the organization and its Articles, Bylaws, Rules, and Policies.
9. The respect and de-stigmatization of manufactured housing and the people who live in it is vital to the success of Resident-Owned Communities. We demonstrate our respect through our words, actions, inclusion, and sharing the credit.