



Attorney Karen Tiedemann's comments on the key elements of the Empowerment Resolution and Technical Assistance Agreement.

Following is an overview of the relationship CCCD has with ROC, and CCCD's role with regards to the Marin Valley Cooperative's efforts to become a resident owned community.

The PAC and MVC have requested assistance with acquiring the MVMCC Park from ROC USA. That assistance includes technical assistance with respect to the creation of an ownership entity to acquire the park, assistance with financing and assistance with on-going governance of the park once acquired, among other items. ROC USA certifies technical assistance providers in each state that work with ROC parks both on the acquisition and operation of resident owned parks. CCCD is the California ROC certified technical assistance provider. CCCD works closely with ROC in structuring the acquisition deals for resident acquisition and with the residents of the park on formation and governance issues. CCCD, as the ROC technical assistance provider, is bound by the ROC model for acquisition, and operation and works with the Parks to implement that model.

The Technical Assistance Agreement Provider Agreement implements the ROC model for resident ownership. One of the essential premises of the model is that resident owned parks have ongoing technical assistance for at least the first 10 years of operations to ensure that the park is successfully managed and operated. In order to ensure that resident owned parks make full use of the technical assistance and don't avoid using the technical assistance provided, the annual fee for the technical assistance is a flat fee and is built into the repayment of the ROC loan. Essentially, the fee is paid as part of the loan repayment. By setting a flat fee and making that payment of that fee part of the loan payment process, parks do not have a disincentive to avail themselves of the services that CCCD can provide. These services include assistance in handling elections of board members, running membership and board meetings, maintaining corporate records, compliance with all applicable laws, including the Davis-Stirling Common Interest Development Act, maintaining accurate financial records, and communications with residents. On-going technical assistance has proven to be essential to the success of resident owned parks.

In addition to the ongoing technical assistance provided, once the park is acquired, CCCD and ROC provide significant assistance in the acquisition process, which includes assistance in financial analysis, formation documents for the ownership entity, guidance on obtaining loans and grants and other necessary assistance. To compensate for the time that CCCD puts into the pre-acquisition work, CCCD is paid a fee that is a percentage of the final acquisition loan amount. That fee is not paid unless and until the park is acquired and the loan closes. The fee is reasonable given the work provided and the risk factor that if the acquisition of the park does not proceed, CCCD will not be compensated for its efforts. The fee is set by ROC and is part of its model.

The indemnification provisions are standard and require that CCCD indemnify the corporation for its acts of negligence and willful misconduct. The corporation is indemnifying CCCD for any other claims that arise as a result of the parties' activities under the contract.

The prohibition on displacement is a fundamental tenet of the ROC model. If the park residents are not supportive of that part of the model, then the ROC model may not be the right model. However, it should be noted that in order to comply with the Surplus Land Act, it is likely that the Park will be required to continue to provide spaces for low income mobile homeowners at an affordable space rent.

The references to statutory dissolution are in reference to eliminating incentives to sell the park property. The ROC model requires that if the park property is sold the proceeds of that sale must go to another charitable entity to avoid residents seeking to sell the park and distribute the proceeds amongst themselves. The goal of the ROC model is to preserve resident owned parks as a stable form of housing for the residents and eliminate incentives to convert the park property to another use.

The reference to a 99-year lease is applicable to parks that are built on leasehold interests and is not applicable to MVMCC. The exhibit to the Technical Assistance Agreement is used for all parks so covers various types of ownership models.

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