March 16, 2009

Honorable Mayor Gingles and Members of the City Council City of Calistoga 1232 Washington Street Calistoga, CA 94515

Re: CAH Letter of Termination of Professional Services Agreement

Dear Mayor and Council members:

It is very unfortunate that CAH and Staff could not work out language in the Professional Services Agreement that would allow CAH to continue to serve the community in an appropriate capacity and thereby retain the needed revenue source for CAH. CAH has been, and continues to be an asset to our City through their philanthropic efforts on behalf of those in need of affordable housing within our City. I have nothing but respect for the efforts put forth by their directors, staff, and volunteers.

It is equally unfortunate that in his letter of termination, Mr. Fiddaman has failed to recognize the truth of the matter. The issue of "conflict of interest" came before the City Council on January 22, 2009 when Staff proposed a revision of the Professional Services Agreement after an impropriety was found. This was not a "fake issue" or "trumped up". This was an oversight that was dealt with in an appropriate and judicial manner. This issue is separate from, and has nothing to do with the proposed Cottage Glen development.

While it is true that I am opposed to the proposed Cottage Glen project as it exists, I have never personally, or have I heard of, any attacks aimed at any individual or organization associated with the project, nor would I lend my name or support to any group or organization that would employ such tactics. The issue of Cottage Glen should stand or fall based on its merits and the economic realities of the project. I will continue to offer my "two cents" and would welcome any opportunity to discuss the development with Mr. Fiddaman and his staff.

Respectfully,

Jim Hunter

1707 Maggie Ave.

Calistoga, CA 04515

707-942-5907

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CITY OF CALISTOGA